

Grassroots Development

Journal of the Inter-American Foundation



Enterprise at the Grassroots

VOLUME 29

NUMBER 1

2 0 0 8

Lester Salamon:
Business Social Engagement
in Latin America

The Inter-American Foundation (IAF), an independent foreign assistance agency of the United States government, was created in 1969 to promote self-help development by awarding grants directly to organizations in Latin America and the Caribbean. Its operating budget consists of congressional appropriations and funds derived through the Social Progress Trust Fund.

Grassroots Development is published in English and Spanish by the IAF's Office of Operations. It appears on the IAF's Web site at www.iaf.gov in English, Spanish and Portuguese versions accessible in graphic or text only format. Original material produced by the IAF and published in *Grassroots Development* is in the public domain and may be freely reproduced. Certain material in this journal, however, has been provided by other sources and might be copyrighted. Reproduction of such material may require prior permission from the copyright holder. IAF requests notification of any reproduction and acknowledgement of the source. *Grassroots Development* is indexed in the *Standard Periodical Directory*, the *Public Affairs Service Bulletin*, the *Hispanic American Periodical Index* (HAPI) and the *Agricultural Online Access* (WORLD) database. Back issues are available on microfilm from University Microfilms International, 300 N. Zeeb Road, Ann Arbor, MI 48106. To receive the journal, e-mail publications@iaf.gov or write to the following address:

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The purpose of this journal is to share grassroots development experiences with a variety of readers. The editor encourages submissions on relevant topics including, but not limited to, the following:

- how the poor in Latin America and the Caribbean organize and work to improve their lives;
- issues and trends in the development community;
- how institutions cooperate to further the development of the region.

Please direct query letters to Paula Durbin at the above address or e-mail pdurbin@iaf.gov.

Cover photo: Elena Abiju, an indigenous Guaraya Bolivian, masterfully crafts wood chimes in the Taller Experimental launched by IAF grantee Centro de Diseño, Investigación y Comercialización (CIDAC) in the city of Santa Cruz. Opposite page: Cotoca pottery and a hat made of fiber from the jipijapa palm, both fashioned by artisans in the associations comprising ARTECAMPO, a federation founded as a result of CIDAC's work to revive the region's indigenous heritage. All CIDAC-ARTECAMPO photos in this issue are by Jaime del Cisneros del Carpio and Antonio Suárez Weise.

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Grassroots Development

Journal of the Inter-American Foundation

Publication Editor: Paula Durbin
Photo Editor: Mark Caicedo
Foreign Language Editions: Darío Elías
Editorial Assistants: Hilary Brand, Cheyenne Ellis
Design and Printing: U.S. Government Printing Office

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NUMBER 1

2008



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Letters from Our Readers

I participated in a workshop on environmental journalism with Professor David Bray in Oaxaca, April 3-6. We were given materials there, including “Un camino en el bosque: gestión forestal comunitaria en México,” from *Grassroots Development* 2007. I would like to publish it as written in *México Forestal*, the digital magazine of the National Forestry Commission (Conafor) of Mexico (www.mexicoforestal.gob.mx). The magazine focuses on caring for our forests and jungles and on using these areas sustainably.

Julieta R. Salgado Camacho

Editor

México Forestal
Zapopan, Jalisco



I've received your recent issue of *Grassroots Development*, and it is outstanding. Its focus on African Descendants and Development provides new insight into this silent minority of the region. This is to request some additional issues. The university library has a traveling exhibit whose purpose is to make users of the public libraries in small towns aware of the culture of Latin America and the Caribbean. The issues that you send me will accompany this exhibit.

Nelly S. González

Head Librarian

Latin American and Caribbean Library
University of Illinois at Urbana-Champaign Library

I think your publication is excellent. I found the coverage of the Afro-Argentines particularly valuable, quite comprehensive and first rate. Congratulations to you and all collaborators for a first-class journal.

Rolando Costa Picazo

Professor

University of Buenos Aires

The issue was focused on a topic that has much interested me. I would have liked a graph that shows the wide range of estimates of the African descendent population of each of the Central and South American countries.

Chuck Frankel

Honolulu

The following is excerpted from a letter to former IAF representative Marnie Schilken, who profiled the work of Fundación para la Tecnología y el Desarrollo Latino-Americano Ecuatoriano (FTDE) in Esmeraldas, Ecuador, in Grassroots Development 2007.

To date, our fund has extended almost \$54,000 in loans for micro-enterprise development in the 30 communities affiliated with FTDE: 18 communities are working with cocoa beans, eight with sugar cane juices and three with seafood. Recently, the communities decided to discuss pooling their resources: The “cocoa bean” communities are talking about buying a new diesel truck; farmers would take their cacao by river for collection and the truck would transport the beans for drying and then to Guayaquil for sale. Off season, the truck would transport the communities’ corn and tagua.

The “sugar cane” businesses sold 2,000 glasses of juice over Christmas and New Year’s. The “sugar cane” entrepreneurs are now considering the launch of a business with “la banana,” an inflatable boat in which

CORRECTION

Grassroots Development 2007 reported our understanding that some of the Afro-Uruguayan women whose families had been brutally displaced by the military government in the 1970s recently relocated to housing provided as a joint project of the city of Montevideo and the Uruguayan government facilitated by Mundo Afro. However, Isabel Ramírez Abella, Gloria Fernández and Belma Paciello of Cooperativa UFAMA al Sur, a grassroots partner in the project, recently notified the journal that, because of lack of funding, construction had been suspended and no move took place.

“Our honorary president, the singer Lágrima Ríos, a member of our cooperative, died last year without being able to live in her own home,” they wrote. “We have worked hard for our cooperative, but given unsuccessful negotiations and little political will, we continue in the bitter hope of occupying our longed-for residence. Given our current situation, we hope you understand why we need to clarify that what you published is not correct. Unfortunately the building is in no condition to be inhabited.”

Grassroots Development regrets the misunderstanding.

between eight and 10 people pay to ride while a motor boat pulls it over the ocean. The motor, the boat and “la banana” would cost \$13,500, but, residents noted, “la banana” can make eight trips in two hours and off-season the boat could be used for fishing.

The three communities involved in the sale of seafood products want to build a refrigerated seafood storage unit and sell conch, shrimp, fish, lobster, prawns, octopus and squid to restaurants in Tonsupa and Atacames. Residents of some communities have always harvested these resources from the sea and mangrove swamps, but they feel they have been exploited by intermediaries. The storage unit would allow these residents to deal directly with customers offering up to three times what the intermediaries are willing to pay.

It is impressive to see our beneficiaries analyzing opportunities, developing a keen sense for micro-enterprise and transforming opportunities into income.

Alexander “Freddy” Marín

Director, FTDE

Quito, Ecuador



The late Lágrima Ríos, tango legend, Afro-Uruguayan activist and Mundo Afro's honorary president, painted by Mary Porto Casas, right.



Centro de Diseño, Investigación y Comercialización de la Artesanía Cruceño (CIDAC) opened its store in Santa Cruz in 1984 as an outlet for the crafts fashioned by the women trained in its program. Now self-sufficient, the store is managed by the grassroots groups federated as ARTECAMPO.

Enterprise at the Grassroots

The disadvantaged in Latin America and the Caribbean face daunting challenges in the struggle to escape the cycle of poverty that has defined their existence. Political turmoil, centuries of environmental abuse, natural disasters and isolation are just a few of the barriers to the financial solvency essential to getting ahead. Since awarding its first grant in 1972, the Inter-American Foundation has invested a major part of its funding in creative yet practical ideas for overcoming such obstacles and boosting the earning potential of individuals and communities committed to working hard for a better life.

The thread that runs through our journal for 2008 is this investment in the organized poor and the institutions that support them. It begins with a letter detailing plans for micro-businesses in Esmeraldas, Ecuador, and continues through development notes that include the latest coup of former Bolivian grantee El Ceibo, the federation of cacao and chocolate cooperatives launched in 1977 that evolved into a grassroots triumph. Features profile other past and current grantees that, with modest IAF support, impressive energy and relentless dedication, have transformed agriculture, launched cooperative ventures and, most recently, encouraged grassroots constituencies to engage with government to put in place the infrastructure necessary to economic development. Our special section on business social responsibility examines the role of Latin America's corporate sector in providing opportunities, including efforts to bring the grassroots into the supply chain.

Hard-won successes can be gauged by concrete indicators, such as income, jobs created and skills acquired, and those are certainly valid measures. But, as we learn from our writers, often results can be unexpected or unquantifiable—greater status in the household and the community, a new role in economic and political life, the confidence to pursue more ambitious goals, the inspiration to others that produces a multiplier effect, and the sense of pride and satisfaction that comes from making a valued contribution to the well-being of a family, an organization and an entire society. These advances, as much as economic independence and better living conditions, are at the heart of what the IAF calls grassroots development.

Fashioning Cruceño Crafts for the Marketplace

By Kevin Healy



Cristina Ribera, a Guaraní speaker from Izozog, weaves wall hangings and handbags.

Toward the end of 1984, a small Bolivian crafts organization in Santa Cruz, Centro de Diseño, Investigación y Comercialización de la Artesanía Cruceño (CIDAC), tallied sales from its first year in business to record a grand total of \$1,800. That was just a few weeks after CIDAC's first annual craft fair had given revenues a boost by turning the media spotlight on this incipient endeavor serving 150 affiliated artisans.

Fast forward to 2007, when CIDAC's store, which is owned, managed and financed by the associations of artisans federated as ARTECAMPO, grossed more than \$300,000, with profits distributed among 1,300 producers and the associations' funds supporting community projects. Moreover, ARTECAMPO's dazzling handicrafts have been showcased in Chile, Brazil, Argentina, Colombia and Spain. When they were exhibited in Bolivia's National Museum of Art, *La Razón*, La Paz's most respected daily, covered the opening with a nine-page spread.

A social entrepreneur

How did marginalized indigenous women and mestizas from the hinterland of South America's poorest nation turn such a humble beginning into a grassroots development success story? Community participation, a custom-tailored management structure, product development, imaginative marketing, hands-on training and steady injections of small amounts of foreign aid are the elements of a long-term strategy. So is the leadership of Ada Sotomayor de Vaca, the social entrepreneur who assembled the artisans and a small team of designers, artists and other specialists providing oversight, guidance and ideas. By tapping into human resources and developing others, Ada and her team have galvanized women into fashioning a new future for themselves and their 64 communities.

Ada Sotomayor grew up in an Afro-mestizo home on the Peruvian coast. As a university graduate in social work, she plunged into the complexities of organizing communities in Lima. There she met Lorgio Vaca, one of Bolivia's best known muralists and painters. They married and settled in his hometown of Santa Cruz. Working with her hands came naturally

to Ada, the daughter of a carpenter, and she learned to craft ceramics and cowhide furniture for the discerning middle-class clientele emerging in the city. When her husband lost government contracts due to his visible opposition to one of Bolivia's most repressive regimes, sales from her home-based studio sustained the family.

But Ada's gaze eventually moved from her own business to the undervalued artisans suffering the consequences of discrimination—as women, campesinas and indigenous Bolivians—and of exploitation by unscrupulous middlemen. An avalanche of industrial products was displacing their handicrafts as Santa Cruz burgeoned into Bolivia's fastest growing economy. Ada aimed to invigorate these arts by engaging communities. Her vision, refined taste and unflagging social commitment would motivate craftswomen to develop their talents and technique and appreciate their contributions to Bolivia's vibrant multi-cultural heritage. Ada's team would also focus on the development of niche markets. But would Santa Cruz society open its eyes, heart and pocket-book to the beauty produced by artisans representing diverse ethnicities and rural communities?

I first met Ada in 1982, when she sought me out as a representative of the Inter-American Foundation to discuss her project proposal. We connected through a mutual friend, an anthropologist with years of experience in Bolivia. Ada, then 44, and Lorgio were active in the Cooperativa Cruceña de Cultura, a distinguished group of socially-conscious artists, architects, sociologists, educators and artisans deeply attached to Santa Cruz. The Cooperativa sponsored discussions of the issues arising out of rapid modernization and growth; its lively magazine, *Debate*, focused on public policy and problems that had been overlooked in a region viewed as the Bolivia's economic powerhouse. Ada headed the Cooperativa's artisan commission which would spin-off to form CIDAC.

An ambitious start

Initially, Ada's proposal struck me as far too ambitious. She was requesting \$200,000 for a three-year program in eight far-flung sites representing dozens



of communities. I do not recall either before or since then having analyzed a project that embraced so many different ethnic groups dispersed over such an extensive area. I felt as if I were looking at eight proposals rolled into one. So after several meetings and correspondence back and forth, we negotiated a more “realistic” budget and reduced the scope to encompass three sites over two years. The IAF then approved a grant covering modest salaries for a small staff, raw materials and field visits; it later funded the purchase of a used car to reduce travel time. In retrospect, I had underestimated how prepared CIDAC was to undertake its program. Propelled by some \$500,000 in IAF funds over the next decade, it would extend its reach far beyond the communities originally contemplated.

CIDAC’s goal was to develop a multitiered, multiservice institution that, for starters, would open markets, lower production costs and improve skills and raw materials. The pioneers in CIDAC’s revitalization strategy were the indigenous Guarayo hammock-makers of Urubicha, the mestiza and Chiquitana palm-hat weavers of Buena Vista in the Ichilo province and the mestiza ceramacists of Cotoca in the Warnes province. “At each site,” Ada explained, “I went door-to-door, visiting the women in their homes, describing CIDAC’s mission, and asking about their work. I examined materials, looms and kilns, offered advice for improving and diversifying products, and tried to learn as much as possible about their production and marketing process. I added greatly to my knowledge and was able to develop the rapport to recruit women into the program. As a woman, I had some advantages in this regard.”

Ada’s approach initially brought into the fold 60 hammock-makers whom itinerant middlemen had been paying as little as a few bars of soap per finished item. CIDAC began by providing quality yarn, dyes in vibrant pinks and greens, instruction in making tassels and crocheted edges, and a better sales channel in Santa Cruz. The talented Guarayos now include individuals who excel at painting and sculpting, although hammock-makers still predominate and are the income leaders. Originally a male activity, hat-weaving using the leaves of the jipijapa palm had been taken over by women as men increasingly engaged in subsistence farming. When CIDAC arrived

in Buena Vista, a single merchant bought the hats and resold them at a 500 percent mark-up. CIDAC recruited 57 weavers into its program and, per its standard practice, hired the most talented to help the others develop their skills. In Cotoca, just 20 minutes from Santa Cruz, nine potters were willing to work on improving kiln technology and diversifying their earth-toned ceramics. Although the group has not grown much, its pottery is distinguished by innovation and fine workmanship.

During take-off, no matter how small the pueblo, CIDAC had to overcome entrenched interests and doubts as to its intentions. “While the process of recruiting artisans was essentially successful in both Urubicha and Ichilo,” said Ada, “rumors circulated that we were engaged in exploitive practices, which must have kept some artisans away. Such suspicions, of course, reinforced our decision to proceed cautiously and incrementally and not make overblown promises. Our strategy was to begin with a manageable sample and gradually add new artisans once we had made improvements and demonstrated the marketability of the products made by women already in the program. That would ultimately win confidence.”

Building a regional network

Of the 11 groups to follow this initial cluster in CIDAC’s program, perhaps the most surprising were the Chiquitana women currently residing near the village of Tajibos, who were not on Ada’s original list of communities with salvageable craft traditions. The Chiquitanos constitute the largest ethnic group in Santa Cruz and once occupied its largest indigenous territory. The presence of Jesuit missions and, later, the incursion of timber operations and ranching perhaps account for their loss of land, language and other aspects of their heritage. The 16 Chiquitana women who joined CIDAC’s program began to learn a new art, embroidery, and to decorate pillow cases and craft wall hangings with bucolic and village scenes, and floral and fruit motifs in deep, contrasting hues. Moreover, they took the program into the Chiquitano homelands in Lomerio and taught other women like themselves, which ultimately yielded a distinctive product line they could call their own. Embroiderers from Lomerio are now more numerous than those from Los Tajibos.



During CIDAC’s first decade, the program also began working with the poorest of the indigenous poor, the Icoceño and Ayoreo peoples of the hot, dry Chaco region whose vast eco-system extends into Argentina, Brazil and Paraguay. The Guarani-speaking Icoceños live along the southern Parapeti River some 10 hours by car from the city of Santa Cruz, their original homeland having shrunk from “cattle colonization” in the 19th century, when criollo ranchers turned their animals loose to establish “property rights.” With little in the way of education, livestock and productive land, most families that CIDAC found survived from hunting, subsistence farming and the men’s seasonal migration to cut sugar cane in northern Santa Cruz. Icoceño crafts had begun to decline as traditional support structures eroded, but it retained a richly symbolic iconography that suggested the potential to appeal to buyers. CIDAC’s staff aimed to inspire respect for Icoceño culture to offer options to impoverished Icoceña women. But since middlemen passing through had



Ayoreo carvings and carver. Men comprise six percent of ARTECAMPO's members.

paid a pittance for their handmade bags, ponchos and hammocks, here too CIDAC's overtures were initially viewed with distrust.

CIDAC assigned Hugo Pereira, an Afro-Bolivian sociologist, to get the revival rolling in Izozog. Pereira ran into the local headman's opposition, but it subsided when the headman's sister came on board as an artisan and, more importantly, a leader in the CIDAC program. As other problems arose, CIDAC drew on the insights of anthropologists and Guaraní intellectuals to help navigate this complex social and cultural terrain. Over time CIDAC's persistence, patience and results paved the way for 118 skilled weavers to join the program, all earning income from their superb designs. Younger Icoceñas were incorporated into retail operations, building trust and understanding between urban Santa Cruz and their rural communities.

The Ayoreos, also native to Bolivia's Amazon area, had been a nomadic people literally on the frontier fringes of Bolivian society until the 1950's when their assimilation was accelerated by missionary groups that settled them into a new habitat and more sedentary life style. In recent decades, their survival combined subsistence farming, day labor, logging and, on the streets of Santa Cruz, occasional craft sales and begging. As a people the Ayoreos

have faced serious discrimination. The first Ayoreo to finish high school only graduated in 2007, which underscores the educational deficit in this community. But the Ayoreos' dexterity was evident in their finely textured bags made from the garabata plant, which they had dyed using local vegetation for as long as anyone could remember. Ada and her colleagues were in awe of their creativity, skill and subtle yet intriguing motifs representing their clan-based social structure. By the mid-1990s, some 60 Ayoreo artisans were marching to the tune of CIDAC's program. Their bags have sold well, including in Japan. With the assistance of a local sculptor hired by CIDAC, the Ayoreos later launched a line of wood carvings depicting personalities and animate beings drawn from folklore rooted in their Amazonian forests.

The program's expansion also led CIDAC to the town of San Miguel, where Chiquitano wood carvers fashion reproductions of 18th-century religious art introduced by the Jesuits, and to the province of Valle Grande, where women weave woolen blankets, saddle-bags and rugs and craft figurines from corn husks. In 2002, CIDAC reached beyond Santa Cruz to incorporate women potters in Tentayapi, an isolated Guaraní community in the Chuquisaca department, and Weenhayek fishermen from the Tarija depart-



ment, who excel at carving tiny birds. CIDAC also organized the Taller Experimental in Santa Cruz where young indigenous city residents have perfected windchimes and *retablos*, or jungle paintings on wood, among other products.

Forming the associations

A key CIDAC method for spreading its revival was organizing artisans from the communities into associations that are the building blocks of a structure bridging the city and the countryside. The associations elect officers to two-year terms and hold regularly scheduled meetings and workshops led by talented women distinguished as *maestras notables*. Artisans bond as they explore their identity as mestizas and indigenous Bolivians who experience discrimination, including in their own homes. “Before joining the association, I was very timid and self-conscious in a group situation,” a Guaraya hammock-maker from Urubicha observed in the mid-1990s. “The simple act of going to my neighbor’s front porch and starting a conversation was a terrifying thought. But the association forced me to attend monthly meetings and gradually I became comfortable speaking up in front of other women. In our classes, we had exercises in preparing sales

slips and documenting our transactions. I was able to relearn basic writing skills that I had lost from lack of practice.”

Initially, each association appointed from its ranks a “coordinator” to act as a liaison with CIDAC, distributing raw materials, collecting products for sale in Santa Cruz and recording financial transactions—backstopped by CIDAC professionals. Over time the coordinator became the *responsable de producción, administración y contabilidad*, reflecting the skills required, and received a monthly stipend funded by association sales. Today each association has two *responsables* who, in addition to their original duties, also control inventory and the production schedule, assist individual artisans with record-keeping in their required notebooks, relay instructions and feedback, transport goods to the business office in Santa Cruz and enter detailed information on each piece into a computer file.

The IAF’s uninterrupted support over a decade resulted in the consolidation of a stable structure for channeling additional resources to a program that was constantly adding new artisans and communities. The framework formed by associations that churn out colorful and distinctive handicrafts has been instrumental in attracting funds from U.S., European, multilateral and Bolivian donors. Seven of the strongest associations benefited from the grant program developed by the World Bank in response to the social crisis that resulted from Bolivia’s textbook application of neo-liberal economic reforms. Thanks to the Bolivian government’s investment of this funding in labor-intensive construction in low-income communities, the seven associations acquired infrastructure consisting of offices, showrooms, meeting halls, shops and spaces for workshops, storage and social gatherings. Additionally, a percentage of earnings has been earmarked by some associations for social funds supporting, for example, the development of improved seed potatoes, the cultivation of native cotton, the acquisition of a property, inventory for a dry goods store and even craft exhibits. Oxfam-America’s study of grassroots development in the Amazon region, *Amazonia: Economía Indígena y Mercado, Los Desafíos de Desarrollo Autónomo*, singled out this social fund

for its effectiveness in promoting investments benefiting the community.

The associations also facilitated exchanges among sites. This kind of visit is widely practiced in grass-roots development because it helps individuals forge mutual support systems and share experiences and ideas. CIDAC artisans benefit significantly from interacting with colleagues from other ethnic groups. I witnessed Izoceña women abuzz at the self-confident manner of the Guarayas. Exchanges intensified when the existing associations took a giant step forward by forming the federation ARTECAMPO, a multi-ethnic body speaking with one voice to regional authorities and the general public. ARTECAMPO's 20th anniversary in 2007 brought together 70 representatives of the 14 associations to focus on the bread-and-butter issues of grassroots development. Delegates took turns presenting balance sheets, sales trends and work plans for observation and discussion. CIDAC's field technicians provided their evaluations of each association's administration and financial management.

Gender discrimination, cultural identity and the importance of the artisan have become topics of interest writ large in meetings, and women reflect on their triple jornada, or triple shift. "We have focused on our unjust situation as our work day consists of rising early, cleaning the house, making the beds, fixing breakfast, fetching water, feeding the animals, dressing children for school, washing clothes, preparing and transporting lunch to husbands in the field, making coffee for the siesta, weaving a straw hat, cooking dinner, washing the dishes, cleaning the kitchen, and then returning to weaving for the waning hours of the day,"



Chiquitana embroiderer outside the craft center in Tajibos.

a hat-maker observed. Said hammock-maker Elba Montano, then ARTECAMPO's president, "We women of the campo have added to our full-time house and farm work, the work of craftswomen. Yet we are not simply makers of crafts. We are also cultural workers because we keep our traditions alive, increase our understanding of ourselves, and offer our products for others to enjoy. We are a significant part of the region's economic development although many refuse to recognize this fact."

Yet despite impressive gains, the associations invariably met with challenges as they struggled to develop democratic management structures characterized by competence and accountability. Nor was it easy for poor women with limited schooling to function as bookkeepers and administrators. By the end of the first decade of CIDAC's program, the skills to fashion crafts had evolved much further than those necessary to run a social enterprise offering services and training. Bolivian anthropologist Antonio Ugarte, who monitored the associations in the 1980s,

An Embroiderer's Story

In 1985, when Mercedes Peña first approached Ada Vaca about learning new skills to boost her income, the Chiquitana woman from Tajibos was desperate. She and her husband had been lured into a development hoax that had saddled them with diseased pineapple seedlings and left them so deeply in debt that their bank was threatening to foreclose on their farm.

Ada responded to Mercedes' tale of woe by testing her crocheting skills and signing her up for training as an embroiderer. Once she was proficient, CIDAC provided her materials as well as technical assistance in the person of a young Chilean designer who lived in Mercedes' community for extended periods over the next few years. During that time, Mercedes mobilized 16 of her neighbors into an association that she would lead as "coordinator" for the next six years. The members first met under a tree, then in the Peña home; today they are housed in a center built for their association.

Reflecting on her 20-some years with CIDAC-ARTECAMPO, Mercedes said, "I think we artisans feel more self-confident as women. We are unafraid to speak up and this in part derives from having proved our ability to do remunerative work that supports our

families. Our husbands' initial reluctance to support our effort eventually turned to enthusiasm. They have to migrate to other areas for months on end to earn income for the family, while we women who stay behind to attend to our farms have our own secure income from crafts.

"Our association now has 54 member producers and earned \$21,000 in 2007. We have met many challenges along the way, including the corrupt practices of one of our leaders which embarrassed us greatly. But we made great progress with our organization and the quality of our embroidery. I never imagined that we would become so large or enjoy such respect from the authorities and people in our hometown. ARTECAMPO has won us amazing recognition in the region. Our organization can negotiate for resources from different public entities to deal with diverse community problems. We have learned a lot which I have been able to pass on to my family. Throughout all these years we have had Señora Ada working side by side with us as she has become part of us and we have become part of her. I will always be grateful that our lives have amounted to something. We will never stop thanking her."—K.H.





Ayoreo bags.

reported to the IAF that their informality and lack of rules, responsibilities and procedures enabled certain artisan leaders to benefit disproportionately from the group's resources. This situation, in which an individual key to the organization's functioning cannot easily be held accountable or be replaced, is a familiar scenario in grassroots development. It caused CIDAC and ARTECAMPO frustrating moments and some soul-searching.

In the mid-1990s Ada's daughter Malena, an art historian, became, by default, CIDAC's planner-in-chief charged with reassessing operations and recommending changes. She argued for more frequent meetings to address problems as they appeared. And she encouraged artisans to improve their literacy skills, to review elementary-school subjects and enroll in short courses to learn to draft reports, conduct a meeting, organize a discussion, formulate a simple community development project or animate greater participation. "This," she

ARTECAMPO Sites



said, "ultimately paved the way to devolve money management to some of the affiliates." The transition to the point where the *responsables* in 12 of the 14 associations could handle the bank accounts took years, but CIDAC-ARTECAMPO kept plugging away at institutionalizing practices. The *responsables* now produce their associations' annual balance sheets, which are presented and discussed at ARTECAMPO's annual general meeting.

A niche market

In 1984 CIDAC's store opened in a charming one-story building just six blocks from Santa Cruz's central plaza, heralding the region's cultural renaissance. Initially, the variety of products from Bolivia's eastern lowlands contrasted with the stocks of Aymara and Quechua handicrafts from the western highlands filling other shops. A museum-like showroom also sets the store apart.

One short step inside brings a rush of adrenaline. Items galore of all sizes, shapes, colors and designs are arranged by association on walls, shelves and platforms. A selection of bedspreads, tablecloths, placemats, belts and handbags shows how Guarayo

weavers have diversified their line. Classic Ichilo hats, tightly woven yet supple and elegantly feminine, are positioned next to baskets and small oval and rectangular boxes of the same material. In an alcove, cocoa-colored birds, a finely proportioned duck-shaped vase, urns, animal figurines and decorative lampshades of clay demonstrate the technique and imagination of craftswomen from Cotoca. Adjacent to boldly striped Izozog hammocks, handbags and *tapices* are the intense reds, greens and yellows of rugs and tapestries from Valle Grande and figurines made of corn husks. (PETROBRAS, the Brazilian state oil company that has made major investments in Bolivia, commissioned 12,000 of these dolls, an order that took the Valle Grande artisans a year to fill.)

Texts and photos identify women, their technologies, associations and locations and tell something of their history. “We are trying to educate our customers about the lives and work of indigenous and mestizo artisans,” reads a posted message. “We want to demonstrate that in remote villages, talented producers of indigenous origin remain hidden and ignored. Another goal is to make our customers understand fair pricing and the declining

access to raw materials that some communities face.” Among the appreciative purchasers are businessmen and government officials looking for the perfect gift for out-of-town visitors. Several Santa Cruz banks have displayed ARTECAMPO products in their windows. Offering the sincerest form of flattery is the proliferation of businesses selling copies of designs by CIDAC-ARTECAMPO, but, unfortunately, made without the same quality control.

CIDAC-ARTECAMPO’s market profile has gained from countless media features reporting its cultural, social and economic impact in Santa Cruz over the



Izoceño tapices on display at Artecampo.

past 25 years. The annual crafts fair held since 1984 brings a media blitz on the new designs and products available to shoppers in the Christmas season. Tourist guidebooks identify the store as a “must.” CIDAC-ARTECAMPO’s influence seems to turn up almost everywhere, including on Carnival floats and in Miami boutiques selling creations by resident Cruceño designers. A few years ago, when Miss Bolivia strutted across the stage in the native-dress competition of a Latin American beauty pageant held in Quito, she wore an eye-catching teal and black ensemble recog-

nizably in the tradition perpetuated by ARTECAMPO artisans in Valle Grande. On the occasion of the 2004 Summit of Latin American presidents, ARTECAMPO's exhibit in the Tajibos Hotel was an appropriate and awe-inspiring symbol of the pride in a multicultural heritage that is sweeping Bolivia.

The bottom line

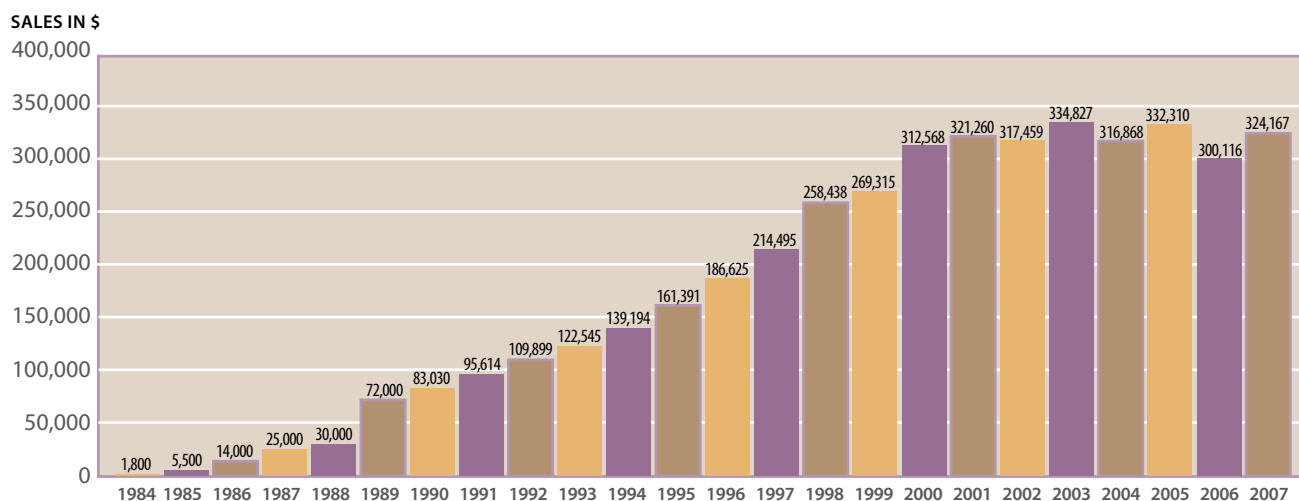
By 2002 retail operations were totally self-sufficient and CIDAC transferred control to ARTECAMPO. In recent years ARTECAMPO acquired the duty-free concession in the international airports of Santa Cruz and La Paz and an outlet in an upscale neighborhood in La Paz. The new managers have learned to allocate 18 percent of each sale to overhead: eight full-time salaries and the utility bill. Training includes field trips to gather the information needed to calculate realistic prices and to expose the artisans to the tough competition they are up against. To maintain an edge in a marketplace increasingly bombarded with cheaper Asian imports, high standards, constant innovation and state-of-the art techniques are key. Quality is monitored by association officers who, in pricing, designate outstanding pieces for a premium; Ada and the marketing manager also provide feedback. In the past three years, CIDAC unveiled 73 new designs, some created by Ada, potter Olga Ribera and Graciela Niera who is keenly sensitive to the colors and images of the Amazon rain forest. CIDAC volunteer Lorgio Vaca contributes concepts, as do the artisans. Product development is an interactive process with artists, designers, *maestras notables* and

rank-and-file craftswomen adapting, modifying and breaking new ground. Experts have injected their fresh perspectives into this process.

"We have used the best local talent," Ada said. "Lorgio and a Santa Cruz potters group research clay and glaze types and uses. They have also trained artisans in kiln technologies and in skills such as roof-tile production. Olga Ribera has long been a multi-faceted mainstay of our program. We have brought foreigners to Santa Cruz. An Ecuadorian woman taught the hat-makers to innovate by using colored concentric circles. Japanese weavers taught them palm techniques and Japanese potters taught firing techniques in Cotoca. Argentine potter Jorge Fernández Chiti has offered courses under our sponsorship. Ramón Lándivar, a Bolivian-American now working in the Southwestern United States, taught techniques for replicating pre-Colombian pottery"

Sales reflect significant variations among associations. At one extreme, Guarayo hammock-makers grossed \$60,535 in 2007; revenues earned by embroiderers, painters and sculptors raised the Guarayo total to \$156,281. The struggling Icoceños and Ayoreos earned \$13,429 and \$10,770, respectively, and the incipient association in Tentayapi took in just \$1,346 from ceramics transported from Chuquisaca to far-off Santa Cruz by Swiss Red Cross workers. According to a study done some years ago, ARTECAMPO artisans earn an average of 36 percent of their respective household's income (with the rest attributable to subsistence farming and the men's day labor). Everywhere earnings reflect human

ARTECAMPO Sales (1984-2007)





Jipijapa work.

factors as artisans age, die, migrate, become ill, drop out, strike out on their own or defect to other organizations and commercial dealers. Currently, exports account for between 10 percent and 15 percent of sales as ARTECAMPO continues to emphasize the domestic market. New York designers advising Aid to Artisans (an international agency working with the U.S. Agency for International Development) have given high ratings to the export potential of ARTECAMPO crafts. Their products have been sold online by Salvatierra Imports.

ARTECAMPO's importance, however, cannot be measured by member income alone. CIDAC's field technicians recently documented the magnitude of this quarter-century experience in grassroots development in terms of 6,000 artisans who have benefited economically from this revitalization of the craft traditions native to Santa Cruz. The question is whether ARTECAMPO can become, like its retail operations, self-sufficient. The associations now rely less on CIDAC for technical assistance, although the support they get is critical. CIDAC, in turn, relies on foreign aid, although less than in the past. But where do we find an example of a regional association of

artisans that has achieved financial independence? For ARTECAMPO, the challenges ahead are compounded by political polarization in Santa Cruz and by the region's autonomy movement. In addition to tense relations with the Bolivian government in La Paz, this situation has resulted in reduced tourism, manipulation and intensified divisions in indigenous communities. The artisans have suffered, although their products always sell.

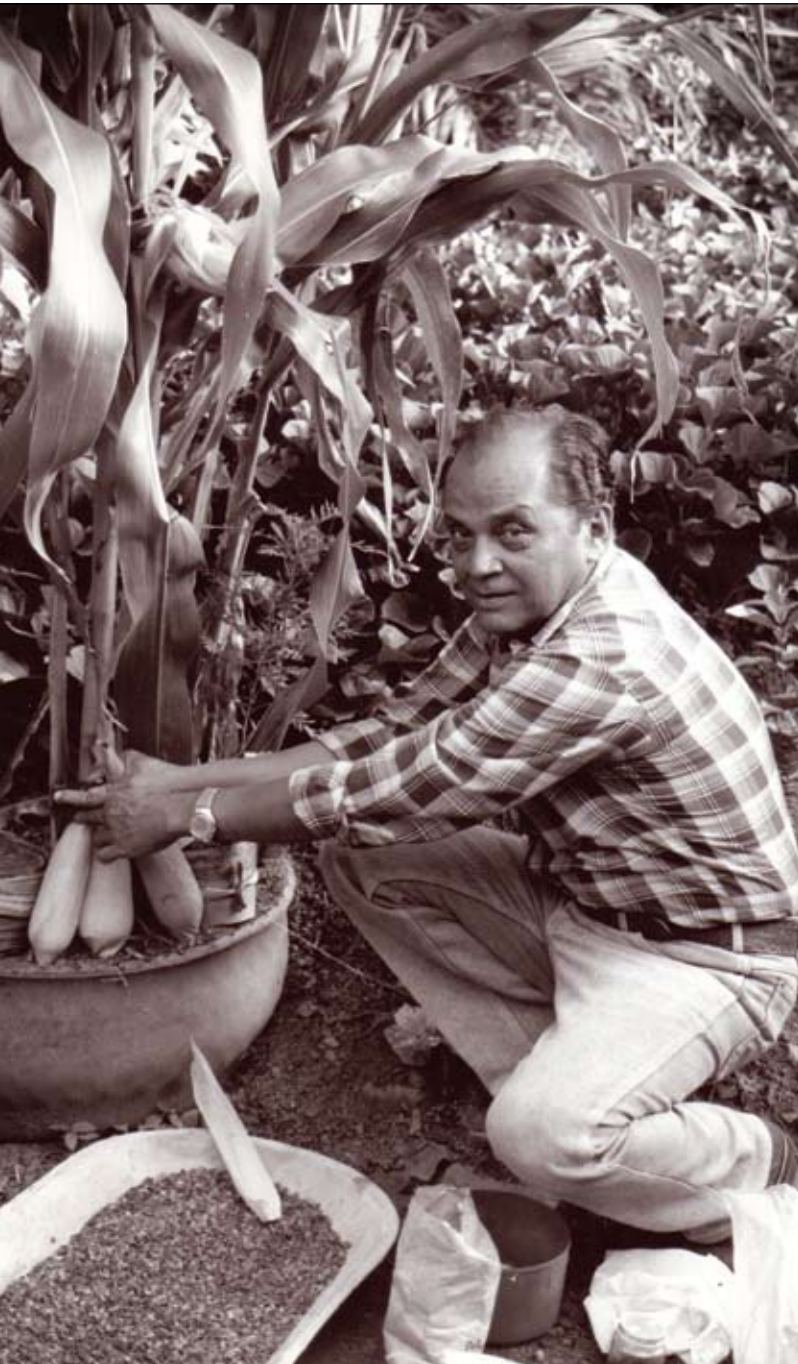
Now 70, Ada, is cutting back on trips to assess work. She still shares and compares experiences at events in Bolivia and abroad, and she is helping CIDAC lay the groundwork for a museum showcasing arts and crafts from throughout Latin America. ARTECAMPOS' future is in the hands of the *maestras notables*, and Ada has faith in them. "It's up to these talented artisans," she said, "to train many others for a market where the demand for our products exceeds the supply."

Kevin Healy is IAF representative for Bolivia and Colombia. This article revises and updates a chapter in his book Llamas, Weavings and Organic Chocolate (Notre Dame Press: 2001).

The Agricultural Gospel of Elías Sánchez

By Patrick Breslin

All photos by Patrick Breslin



At the hillside farm where, until his death in 2000, he helped thousands of Honduran farmers learn to improve their land, Elías Sánchez would pick up a handful of soil and let it sift through his fingers as he asked the farmers to tell him what it was. Simply a receptacle for seeds and nutrients in which plants would grow? Or something alive and already rich in processes with which seeds, nutrients, air and water would interact?

The notion of the soil as a complex ecosystem, to be understood more than exploited, was one of the pillars of an approach to agriculture that Sánchez called “the human farm.” Another was the conviction that imagination could be stimulated to find resources for development locally. Both are ideas that, by analogy, extend to the whole concept of development assistance. Are regions of poverty containers into which the seeds and nutrients of Western technology and expertise need to be implanted, or have they evolved as ecosystems, with their own processes and resources, among them creativity and leadership?

Sánchez’s career and enduring influence suggest the latter. He is a prime example of the emergence in Latin America over the last half-century of a widespread infrastructure of leadership based in thousands of nongovernmental and grassroots organizations. The men and women who guide these organizations work in vastly different settings, from urban garbage dumps to isolated villages, but their common approach begins with people and their resources. Elías Sánchez began with the poor farmers of his native Honduras and the hillside plots from which they scratched survival.

Ever since the Spanish conquest, hillside farming in Latin America has been synonymous with poverty. The invaders grabbed the prime bottomland in

Elías Sánchez in 1992 at Loma Linda.

the valleys and left the Indians to fend on the hills and mountainsides. A few centuries later, the “green revolution” ignored hillside land and the people on it in favor of industrialized agriculture in the valleys. In the 1980s, the structural adjustment policies prescribed for poor countries emphasized comparative advantage and dismissed poor farmers as inefficient, therefore inconsequential. Market forces, the experts assumed, would soon push them into more productive sectors of the economy, so why waste money on providing them training and credit? (The satisfaction of consigning a whole class of people to Leon Trotsky’s “dustbin of history” has not been restricted to Marxists.) Wars, political instability and drought drove farmers from some areas. Their own poor techniques that hastened erosion set them up like tenpins for hurricanes that bowled away entire hillsides. Finally, the demand for cheap labor in the United States exerted a gravitational pull.

Only a few visionaries still saw any potential on the hillsides of Mesoamerica. One was José Elías Sánchez, born in 1927, a brusque educational expert who blended irreverence, imagination, deep knowledge of farming and a genius for provoking questions from the most tongue-tied peasants to craft an alternative agriculture tailored to their needs. Central to Sánchez’s philosophy was the conviction that you started with the person, not the land. The point of training was to teach farmers to think, to be creative, to have a positive attitude. Without this personal growth, techniques learned would just be a bag of tricks, quickly forgotten or discarded at the first unexpected obstacle.

Sánchez inspired some of his students to form a network to carry on his efforts across Honduras, and several developed model farms, or Centers for Teaching Sustainable Agriculture (CEAS, from the Spanish initials). According to Norman Sagastume, who helps report results from IAF-funded projects and has worked for two decades in rural Honduras, of the country’s 100-plus model farms, 30 were founded because of Sánchez and comprise the network RED-CEAS. For poor farmers, model farms are the only source of hands-on training. Even though 70 percent of Honduran farmers till the hillsides, they have not seen a government extension agent since 1990, Sagastume said. Not that Sánchez would have been

impressed had government programs continued. After a stint working in the Honduran Ministry of Education, and receiving a graduate degree from the University of New Mexico, Sánchez directed a training department for agricultural extension agents in the Ministry of Natural Resources, and he grew cynical. “Burning gasoline” was what he considered the only measurable result of the agents’ field visits. “Cockroach food” was his pungent putdown of the endless studies and reports drafted by agricultural experts to sit unread on ministry shelves.

Sánchez thought there was a better way and so, while still at the ministry, he founded a small nongovernmental organization to serve poor communities. He would take ministry employees to work with residents of these communities, and he tried to expose them to the seminal thinkers in alternative agriculture. But “it didn’t stick,” he told the IAF’s Jim Adriance (*Grassroots Development* 1995, vol. 19, no. 1). By 1980, Sánchez had quit his job in the ministry and turned his attention to the small hillside farm on the outskirts of Tegucigalpa that he and his wife had bought in 1964 to supplement their income. He called it Loma Linda, or beautiful hill, and with the help of a loan from World Neighbors, the Oklahoma-based nonprofit helping small farmers, he sculpted terraces that swooped and curved with the contours of the land, some supported by stacks of used tires buried in the slopes. Thus terraced—and with tires everywhere, including as planters for herbs and flowers—Loma Linda yielded bounties of grain, fruits and vegetables. The significance of the tires was that they were free. A farmer could find them discarded behind the nearest gas station or on the side of the road. Everything Sánchez did contained a lesson. Used tires said you didn’t need money to improve your farm—just imagination and hard work. The farmers he meant to serve knew about hard work. But no one had ever sought to spark their imagination.

Over the next decades, Sanchez helped more than 30,000 farmers move from slash-and-burn practices that exhausted the land and hastened erosion to less chemical-intensive and more sustainable agriculture focused on saving and enriching the soil. Through hands-on training on land much like their own, Sánchez encouraged farmers to value their own knowledge and experience and add to it techniques

he had devised, such as *labranza mínima*, which means minimum labor, known as in-row tillage in English. Carving narrower hillside terraces was easier for small farmers, who didn't have the tools to build the wide terraces agronomists favored. By starting small, and adding compost to the soil each year, they spread their labor over years, while constantly improving the land. Throughout Honduras, you can see hillside slopes terraced using this method, and the practice of burning fields before planting has diminished. Both features of contemporary Honduran agriculture are legacies of Elías Sánchez. In 1996, Brown University recognized his accomplishments with the Alan Shawn Feinstein World Hunger merit award, a \$10,000 prize for public service and education. His life and work were described by Katie Smith in *The Human Farm: A Tale of Changing Lives and Changing Lands* (Kumarian Press, 1994).

In November 1998, Hurricane Mitch wrecked much of Honduras. Entire farms on mountain slopes washed downhill, but those with contour terracing often survived with minimal damage. Loma Linda's terraces survived, too, but its buildings were destroyed, including the Sánchez home and library. Because the farmer farther up the canyon hadn't adopted techniques to fight erosion, a wall of water, mud, trees and rocks roared downhill and obliterated the training center. Sánchez was, however, determined to rebuild. "The physical farm was destroyed, but the human farm lives on," he said pointing to his head. With international funding and the help of volunteers, new dormitories and classrooms were constructed. But Sánchez, then 73, died on March 18, 2000, less than two weeks before the center was scheduled to reopen. With his death, training at Loma Linda ended.

"You know what strikes me," Norman Sagastume said as we drove north toward Siguatepeque several years later, "many of the people who knew Don Elías don't remember the farm. They remember his punctuality, his respect and love for people. Attitudes, values, how he treated people. No one tells me they remember the farm." Sagastume visited Loma Linda often in the course of his work. He was there just two days before Sánchez died. He remembers with a chuckle that Sánchez practically chased him away. "I don't want to see you here again," Sanchez told him,

"until you've bought a farm. The hope of Honduras is in you young people. You have to spread these ideas, teach the human farm."

Sagastume and I were checking on the progress of the RED-CEAS and the continuing impact of Sánchez's ideas. Our first stop was at the farm of Rene Santos, the network's president, who had worked seven years with World Neighbors and come in frequent contact with Sánchez. Since developing his own model farm, he has trained more than 8,000 individuals; thousands more pass through on educational tours, including visitors from Canada and the United States. Most groups have from eight to 25 members and they stay for between one and five days. The U.S. Peace Corps sends its volunteers for training, Santos said with a wry smile, "But they want to get a little of everything in four hours and often you have to begin by showing them how to use the tools. So some subjects don't get covered completely."

The course covers topics as varied as human development and motivation, personal hygiene, family health and nutrition, medicinal plants, canning and preserving foods, organic agriculture, soil conservation, permaculture, biological pest control, hillside terracing, rammed earth construction, and building wells and cisterns. Santos devours information and has a library of books and articles on the subjects he teaches. "People always come here to use it," he said. "One guy from the south comes every week. He spends half a day reading books, taking notes, then off he goes." With help from World Neighbors of Canada, Santos plans to expand the library and add a reading corner for children. "One of the goals is to develop the habit of reading, to offer educational games, even Internet. This is a service, we get no income from this."

The Santos family earns its living from the other services it provides visitors—lodging, meals and guided tours of the farm—and from the farm's own production. Santos has a license to market services, and his business reflects a long-held ambition. "I always had this idea that I didn't want to end up like some men you see, 70 to 80 years old, walking around with a hoe on their shoulder, looking for work," he said. "My vision, God willing, when I'm that age, is to be in my own house, maybe not with

Ismael Vargas demonstrating the use of a horse's jawbone as a tool in 1991.



the strength to work the farm but at least to manage it and live from what it produces. And I tell my children [who still work with him in some capacity] 'Let's build it up. This is your inheritance.'"

Later that day, Sagastume and I sat in on a meeting at Santos' farm where other RED-CEAS farmers discussed how to market their expertise to local government and to international donors. It is the biggest challenge facing the network, and it would come up frequently in the following days. One proprietor who couldn't make that meeting was Ismael Vargas, and the next day Sagastume, who had encouraged the network in his previous job with a Swiss development agency, and I drove northeast from the capital into Olancho to see him. After seven years working with Sánchez, Vargas started his own farm near Juticalpa, and received early support as part of an Inter-American Foundation grant to Familia y Medio Ambiente [Family and Environment] (FAMA), a Honduran microcredit organization with which he is still associated.

Impeccable in navy slacks, a light blue shirt and tan working boots, Vargas came down through a green tunnel of fruit trees to welcome us. His hair is completely white, a thick fringe around a head shaped like the bust of a Roman senator. His eyes sparkled at the chance to show us his farm again. When I first saw it, a dozen years earlier, the trees were thin saplings. Now, there are a dozen shades of green in the vegetation that screens the house from the sun's heat. Among the trees are a variety of medicinal plants that Vargas sells. One plant, Vargas

said, eases calf births; women in the area customarily use it as well. Another plant had no insects around it. "It repels snakes, too," Vargas said. "A snake would rather go over hot coals than the leaves of this plant."

Sánchez knew early on that he wanted to spread his approach beyond Loma Linda. He also knew that not all poor farmers worked hillside slopes, and in a country of so many microclimates, conditions vary greatly. He envisioned model farms dispersed throughout Honduras, sharing a philosophy but emphasizing local conditions. "That was one of his earliest plans," Vargas recalled. "He always said that there should be a minimum of five centers in each of the 18 departments of Honduras. For example, nearby we have the village of La Llave, which is higher than here and colder. If you plant corn from there down here, all you'll get is the stalk. It won't produce ears. You have to know the local conditions."

Sánchez actively sought out men to implement his vision of teaching centers all over the country. In 1980, he found Vargas planting coffee on a finca in Guinope after doing some work with World Neighbors in the zone. All through the following year, Sánchez would drop by regularly. "He was evaluating me," Vargas said. "In 1982, I was planning to go work on some land my mother had. Elías asked me about my plans, and whether I had any savings. 'Nothing,' I told him. 'Come with me,' he said. 'I'll pay you a salary, and I'll train you.' So, in June of 1982, I began to work with Don Elías, and I was with him until 1989, when I came here, with the idea of the finca in my head. But even then, I was always



in contact with him. Anytime I had any doubts, or felt overwhelmed, I would go to him for feedback." Vargas made the connection explicit by naming his farm Finca Elías. "For me, he was like three persons," Vargas said, "a second father, a great teacher and a great *compañero*."

Vargas expanded on Sánchez's technique of provoking his visitors' imagination by using unusual farm implements. He built beds for seedlings under screens on simple raised wooden platforms. The top half of a bleached cattle skull hung nearby, looking like a prop for a Georgia O'Keeffe painting. With its remaining teeth, it became a perfect rake for weeding the miniature rows in the seedling bed. Olancho is cattle country. Vargas was teaching that appropriate tools are lying around, if you use your imagination.

As at Loma Linda, used tires were in unexpected places. Several dangled from a tree, some of them filled with huge onions. "Once I had a group of school teachers here," Vargas recalled. "And one, looking at the onions, said 'I think Don Ismael went to the market and bought those onions.' So I showed them the onions growing in the tires, and the teacher couldn't believe it. 'I never knew we could grow onions that size in this area, but you've convinced me,' she said. That's what it's about: that people see that it's possible."

Groups of teachers still come to learn about organic agriculture, and farmers Vargas has taught visit regularly to talk about their farms. But Honduran institutions that once promoted organic agriculture and subsidized training for local farmers have lost funding and international organizations that supported this work have suffered budget cuts. Meanwhile, local coffee federations were talking with Vargas about training in organic methods, and he was working with microcredit loan officers at FAMA who had discovered that applying human-farm philosophy not only made their work more interesting but was lowering default rates.

A day later, we picked up the conversation at Jorge Amador's model farm in Sábana Grande, gateway to a devastated area. Southern Honduras experienced major agricultural booms in the second half of the 20th century, first in cotton and then in melons, and all production was large-scale and

Tires as planters.

chemical-intensive. Displaced farmers ended up burning and plowing the mountain slopes until they eroded away. The chemicals poisoned the soil. The result was a textbook case of desertification. Where waterfalls tumbled into forests, now there is only sand and rock. Ramón Velásquez, long active in development work and now a vice president of the Honduran Congress, recalls a jaguar killed in the thick vegetation on the edge of his town when he was a boy. Now you wonder where a house cat could hide.

None of that gives Amador pause. “You put water here and take care of the soil, and you can make anything grow,” he insists. A tour of the farm backs up his words. He points to tall papaya trees heavy with gleaming green fruit. Their trunks are surrounded by layered cornhusks that keep moisture in the soil. “If you let the sun hit the soil, it bakes, and the trees die in the dry season,” he explained. At 60, Amador is a burly man with thick arms—he’s a blacksmith as well as a farmer—brown eyes, dark curly hair, an expressive face and gesturing hands. He never goes anywhere on his farm without a tool in his hands or a hat on his head. “I could go bareheaded,” he said, “but this hat sends a message, that I came from the same place as all these farmers—farmers who know hunger. And I tell them the work we do is so that they can put more tortillas on the table.”

Amador’s father sharecropped because he had no land of his own, and he died when the boy was 12. Amador worked in sawmills for several years. At 20, he took stock of his life. “I came back to my mother’s house from the sawmills with nothing,” he recalled. “I’d drunk up all the money I’d earned. Just to return home, I had to take a job killing snakes in the bush. After that, I stopped drinking, stopped smoking.” He returned to farm labor, but this time he managed to save money. “For the first time in my life, I ate in a restaurant,” he recalled.

The next time he went home, he had money to buy back land that his mother had sold. Later, he bought more land and he built a blacksmith’s forge. One day, he attended a workshop sponsored by Partners of the Americas. “I liked the class,” he said. “There was a part on agriculture, but more than anything, it was about the human mind. Elías Sánchez was one of the teachers. I told him I wanted him to see my land, because I wanted to begin this kind of

agriculture.” Amador started applying the techniques, and when Sánchez came to visit, he was impressed. “After that,” Amador recalled, “the Partners program contracted me as a field worker. I worked three years. But I would always go to visit Don Elías on Saturdays to see what techniques he was using, and then I would bring them here.” Amador quit Partners when Sánchez offered him a higher salary, and he later worked in other programs. “I’ve trained people in 48 different places in Honduras, on contract with different organizations—Partners, Plan International, World Vision, Catholic Relief Services,” he said. “But I always came back to Don Elías. Off and on I worked with him for eight years. I learned a lot from my work with Partners, but I learned most of all with Elías.”

Amador echoes Sánchez’s insistence on the human factor. “Especially in this area,” he said. “We need to shape people, help them learn. I keep insisting that poverty doesn’t exist anywhere in the world. What exists is ignorance. If people are trained, if they’re using their intelligence, they can do it.” With a new dormitory on a rise across from his house, Amador can house 22 students on his farm. Like other model-farm owners, he hopes RED-CEAS will build interest in the human-farm movement and help fill those bunks. The model farms are sustainable, even profitable, enterprises, and their owners can train large numbers of farmers. What is lacking is support for farmers to receive that training.

Paradoxically, the migration that has taken so many potential farmers away from Honduras might eventually rekindle interest in fulfilling Elías Sánchez’s dream. The impact of migration is visible throughout rural Honduras. Ismael Vargas said that 300 men have migrated from his village to the U.S. As migration increasingly becomes a hotter political issue in the United States, the search for real solutions must eventually focus on the conditions that force poor farmers to migrate in the first place. And right now, the human farm offers the only way to make a decent living on marginal land in Mesoamerica. As Jorge Amador says, “If I can make it here, so can you.”

Patrick Breslin, former vice president for external affairs, retired from the IAF in 2007 after 22 years to work on a book on grassroots leaders in Latin America. He lives in Kyiv, Ukraine, and may be reached at patbreslin@yahoo.com.

An Indefatigable Spirit of Development in Haiti

By Robert Maguire



It was one of the most memorable site visits of my 19-year tenure as the Inter-American Foundation's representative for Haiti. In July 1990, in the high, partially denuded hills above Haiti's capital, Port-au-Prince, I began a trek astride a Creole pony named Avyon, meaning airplane, into the lofty recesses of the Massif de la Selle mountain range. My destination was the village of Belle Fontaine where I would visit the Mouvman Oganizasyon Devlopman nan Belfontenn [Organizational Movement for the Development of Belle Fontaine] (MODB), an IAF grantee. After hours of tedious, but persistent, progress along the meandering, narrow, sun-splashed rocky track with steeply rising mountains on one side and precipitously descending cliffs on the other, Avyon arrived safely at the hillside hamlet centrally located in the large Third Communal Section of Croix-des-Bouquets, or Kwadebouke in the Creole spoken by its inhabitants.

Belle Fontaine's rugged isolation served it well in the late 1700's, when it became a refuge for runaway slaves, or *nèg mawon*, in the French plantation colony of Saint Domingue. Subsequently its inhabitants not only fought in Haiti's long and ultimately successful struggle for freedom from slavery and French colonization, but also established and sustained a largely autonomous community that drew liberally from the African traditions they had carried to the Caribbean aboard slave ships. Indeed, like more than half of Haiti's population at independence in 1804, Belle Fontaine's first residents were principally *bosal*,

people who had been born in Africa and transported to the West Indies already steeped in African culture. Today's descendants of these African freedom fighters know these roots well and proudly recount them to the few hardy travelers who visit their homeland.

Among descendants of the *bosal* greeting me when I arrived was Jolissaint Pierre, a thin, wiry man in his mid-20s who had helped to create the MODB. Pierre cut his development teeth in the early 1980s, when as a teenager he volunteered for a soil conservation program organized by a priest, who subsequently sponsored this son of peasants in a leadership and development program in Haiti's distant Central Plateau. It was during his training as a community development worker, or *animaté*, that Pierre became aware of the Inter-American Foundation. Throughout the 1970s and 1980s, the IAF supported such Haitian programs offering promising young people opportunities to acquire the knowledge and improve the skill-sets necessary to catalyze hometown grassroots initiatives. They brought many emerging leaders like Pierre into contact with the IAF.

Upon returning to Belle Fontaine, Pierre joined with others to create in 1985 the region's first home-grown community development organization, the MODB. Subsequently, more than 1,000 farmers and their families, equally anxious to improve their lives, joined the MODB, forming 170 community groups, or *gwoupman*. With this nascent infrastructure in place, in 1987 the MODB submitted a proposal to the IAF for a program that combined adult education and literacy

training with organizational development. The objective was the improved economic status of members through better soil conservation, agricultural production and marketing. The purpose of my July 1990 visit was to monitor progress under the IAF's grant.

As I stiffly dismounted Ayvon, MODB leaders invited me, and the IAF's in-country service (ICS) representative who had accompanied me, to chairs around a roughly hewn table tucked under a shade tree. The IAF's team of three veteran ICS monitors played an invaluable role in helping IAF personnel understand nuances of the changing Haitian context and in evaluating proposals and tracking projects. Once we were around the table, the young men and women of the MODB recounted how the Third Communal Section of Kwadebouke had experienced a gradual decline in recent decades. Even their isolated region, they explained, was not buffered from the encroachment of loggers and charcoal producers into the surrounding pine forests. Removal of forest cover had been exacerbated by local residents seeking both cooking fuel and land on which to grow the grains and vegetables that the area's market women, or *Madan Sara*, would carry in baskets perched atop their heads to sell at burgeoning markets in the hills above Port-au-Prince.

Despite local efforts to improve soil conservation, heavy seasonal rains were washing away land that had been parched and then baked during dry season. Even though conservation had helped maintain harvests, unbridled taxation by soldiers and government agents was keeping farmers impoverished, robbing them of resources that could be reinvested in the land. Usurious loans, at monthly interest rates of 20 percent or more, siphoned off wealth and fueled a vicious cycle of debt, poverty and environmental deterioration. Those same soldiers and government agents intimidated and harassed MODB leaders and members, viewing their work as dangerous and destabilizing to the status quo. Although the Duvalier family dictatorship that had sanctioned exploitive practices for 29 years collapsed in 1986, successive military rulers and their allies were keeping them firmly in place.

In view of these obstacles, it was no wonder that the MODB was struggling. It had managed to open several community schools and a health clinic, to develop a tree nursery, and to train members in soil

conservation and agricultural production techniques, but greater economic growth in the village remained stifled. Nevertheless, these descendants of the *bosal* and *nèg mawon* were determined to push forward courageously with community development. As they did, Belle Fontaine's inhabitants kept an eye on national developments affecting the community. In July 1990, one such development was the prospect of elections. Jolissaint Pierre and his colleagues held out the hope that elections could bring about conditions that would eliminate some impediments to their work. As I remounted trusty Ayvon for the precipitous descent, I more fully understood the magnitude, and the fragility, of the MODB's achievements. I also understood the vulnerability of the region and of the organization to forces beyond their control, and how this isolated place had become thoroughly integrated into Haiti's social, economic and political mainstream.

The hopes Pierre and his associates pinned on the elections of late 1990 appeared initially to be fulfilled. Following the inauguration in early 1991, a report to the IAF from Belle Fontaine indicated that some obstacles the MODB faced were receding, as the new government moved to restrain taxation and intimidation by the army and its allies. A military coup d'état in late 1991, however, reversed this trend, unleashing reactionary forces, and several MODB leaders, including Jolissaint Pierre, fled the hamlet for the

The author astride Ayvon in 1990.



Courtesy Robert Maguire

relative safety of Port-au-Prince. As they lowered their profile, the MODB suspended operations.

Once in the capital, Pierre discovered that he and his associates were not alone in their plight. Indeed, *animaté* from organizations throughout Haiti—many supported by the IAF—had sought refuge in the teeming city. A dozen or so of these grassroots leaders gravitated to the meeting room of the IAF's ICS contractor, where they could safely exchange news over endless cups of strong, dark Haitian coffee. So much was consumed that the ICS contractor, restricted from working in the countryside during this turbulent period, requested permission to shift funds from monitoring to the purchase of coffee! As time passed, the informal gatherings coalesced into what the *animaté* began calling *lekòl dijans*, or emergency school. Their classroom taught them to understand and analyze current events; their homework was to develop plans for rebuilding community organizations when conditions permitted.

During more than two years in Port-au-Prince, Pierre and the MODB *animaté* were kept informed by organization members who occasionally came down from the mountains. Well-versed in conditions back home, and anticipating an eventual end

to their exile, the *animaté* submitted a proposal to the IAF in early 1994 requesting support for an integrated program of agricultural production, crop storage, marketing and resource management. Key among the proposed activities were the construction of a grain silo, the creation of a revolving loan fund for farmers and *Madan Sara*, and a community tool bank. Achieving objectives depended on the resuscitation of the *gwoupman* and the restoration of confidence among their members. In June 1994, the IAF approved the proposal, and both the IAF and its grassroots partner awaited the right conditions.

Fortunately, they arrived when the military regime was removed from power by a United Nations-sponsored intervention, and elected government was restored in October 1994. Before the development workers of *lekòl dijans* returned to villages throughout Haiti to rekindle organizations and activities, they pledged to remain in contact and to continue to work together. Eventually, this resolve led to the founding in 1997 of Fondasyon Enstitisyon pou Devlopman ak Edikasyon Sivik ki Sòti nan Baz [Grassroots Foundation for Basic Development and Civic Education] (FIDEB). This national network of *animaté* and community organizations aimed to foster collaborative initiatives in localities throughout Haiti by encouraging and supporting partnerships among grassroots groups, elected officials and businesses active in the community. Working in unison, these sectors would identify shared goals and mobilize the resources required to act on them, an approach that eventually became known as “local development.”

The MODB's Jolissaint Pierre was elected vice president of FIDEB's nine-member advisory board. This meant he divided his time between Belle Fontaine, where the MODB was working on its renaissance, and Port-au-Prince, where FIDEB had its headquarters. He played an important role in FIDEB's success in promoting and helping sustain local development partnerships. Between 1998 and 2001, FIDEB awarded matching grants of up to \$5,000 to at least 75 communities, enabling them to undertake some 85 projects ranging from animal husbandry to village infrastructure rehabilitation. This work was funded by an IAF grant and more than \$240,000 in Haitian resources mobilized from public- and private-sector entities.

The rugged countryside surrounding Belle Fontaine.



Robert Maguire

FIDEB's early accomplishments were captured in a 2003 documentary film, *Koudèy sou travay FIDEB nan Devlopman Lòkal* [A Glimpse of FIDEB's Local Development Work]. As the MODB had learned a decade earlier, however, FIDEB discovered that successes can founder in a context of political instability and violence beyond the organization's control, particularly between late 2003 and 2005, when turmoil forced most elected officials from their posts, promoting rivalry as opposed to collaboration and casting a shadow on prospects for productive development partnerships. With relative calm returning to Haiti following elections in early 2006 and the installation of new elected local officials throughout the country in early 2007, FIDEB has begun to reclaim lost ground and revive its partnership strategy. Jolissaint Pierre continues to serve FIDEB and its grassroots affiliates as an elected officer and to contribute his considerable experience and skills toward improving conditions in his ancestral village.

Such was the state of affairs when in March 2007 I visited Haiti for the first time in three years, hoping to renew acquaintance with the development worker from Belle Fontaine. This time, however, there would be no trek astride a sure-footed Creole pony. Rather, when Jolissaint Pierre heard that I was in Port-au-Prince, the veteran development worker came to visit me. Now close to 40, married and the father of two teenaged children, he had lost none of his enthusiasm, drive and determination. Nor had he lost contact with his home village in spite of his relocation with his family to a settlement in those same hills above Port-au-Prince where my earlier trek to Belle Fontaine had begun. Pierre lost little time briefing me about specific conditions in his hometown, which he visits frequently. As we spoke, he painted a discouraging picture of organizational deterioration and dysfunction during the recent years of turmoil and conflict, paralleled by a significant decline in social and economic conditions. That decline is characterized by shortages of cooking fuel, lower agricultural production and income, increased health problems, a marked reduction in the life span of the hamlet's residents and a *sauve-qui-peut* tendency to emigrate among the village youths.

After summarizing the desperation, the indefatigable Pierre pulled a document from his knapsack

that outlined plans he and Belle Fontaine's leaders had begun formulating to revive programs in education, health, and agricultural and small business development. A new ingredient is greater collaboration with farmer associations in neighboring lowland areas. In that regard, Pierre described his involvement as an advisor to Coordination des Paysans pour le Développement de Thomazeau (COPDET), a grouping of associations in the plains of Kwadebouke, far below Belle Fontaine's mountainous heights. Just last year, COPDET received an IAF grant to create a seed bank and provide assistance for 300 farmers growing and marketing shallots. For Pierre, this foray into specialized production and marketing represents an important step in creating synergistic opportunities among farmers of the more accessible lowlands and the producers and *Madan Sara* peering down from their perch in the mountainous areas of Croix-des-Bouquets' Third Communal Section.

As Pierre completed his briefing, our conversation turned to another potential component of a more prosperous future for Belle Fontaine. Might the hamlet be developed as a place Haitians—including those from overseas—can visit to discover and reflect on the proud heritage and history of people who once upon a time abolished slavery and gave birth to the

FIDEB's central committee with Bob Maguire in 1999: from left, Jolissaint Pierre, Romer Bocicaut, Jean Luc Fénéus and Exempt Valbrun.



Courtesy FIDEB

hemisphere's second independent country? After all, my longtime associate explained, now meandering along those same precarious paths I had traversed to reach Belle Fontaine on horseback 17 years earlier is a road of sorts that reaches within a 30-minute walk of the village. "No longer," Jolissaint joked, thinking back to my visit astride Avyon, "do you have to make a long trip on an airplane."

In 1984, when young Jolissaint Pierre was attending the training program in Haiti's Central Plateau, I published in *Haiti—Today and Tomorrow* "Strategies for Rural Development in Haiti: Formation, Organization, Implementation" (Charles R. Foster and Albert Valdman, editors, University Press of America: 1984, pp. 161-172). The essay outlines a framework for supporting grassroots development following an

approach called "formation, organization, and implementation," or *FOI*, French for faith. That same year, the respected economist Albert Hirschman published a slim volume describing and analyzing the IAF's support for grassroots development *Getting Ahead Collectively: Grassroots Experiences in Latin America* (Pergamon Press: 1984). It proposed the "principle of conservation and mutation of social energy" as a means of understanding both the resilience and transformation among community leaders associated with Inter-American Foundation grants as well as the importance of the IAF's support of those key individuals, even in the face of apparent failure. The saga of the IAF's support of Jolissaint Pierre's evolution as a grassroots leader over the 23 years since these two publications appeared affirms ideas they set forth and serves as a guidepost for moving forward.

The *FOI* approach posited that grassroots development in Haiti would occur along a three-phased, process-oriented continuum. The first phase was the formation of promising leaders through nonformal education and training programs. These *animaté* would apply the knowledge and skills acquired to guide the creation of organizations by which bottom-up development would take root in their communities. The organizations would serve as the institutional framework for the implementation of specific, locally planned and managed grassroots activities. The *FOI* process would be supported, incrementally, by resources mobilized within the communities and externally. IAF funding could plug into the process at the most appropriate point, supporting training and education programs, the *animaté's* organizational work or development initiatives. Finally, as the approach took root, associations and federations of community organizations would emerge to expand opportunities for advancement. These efforts might also receive IAF support.

Concurrently with what had evolved in Belle Fontaine, similar developments along the *FOI* continuum were taking place in other Haitian villages. IAF grants supported programs that spurred these developments as well as the process unfolding in a number of communities. When conditions forced the displacement of Pierre and other *animaté* to the capital, an informal association of community development workers was organized around *lekòl dijans*. While



Jenny Petrow

COPDET shallots for hotels, restaurants and other clients.

the IAF did not support it directly, its ICS contractor facilitated the emergency school and eventually, its participants formed a network of community development workers and grassroots organizations through the founding of FIDEB. Ultimately, the IAF accompanied FIDEB as it traversed its own *FOI* path and embraced partnerships for local development projects. In its most recent funding action in Haiti, the IAF supported those efforts through its grant to COPDET.

As much as Pierre's experience illustrates successful steps along a *FOI* continuum, it also demonstrates that such progress does not occur in a vacuum. Indeed, it underscores that the grassroots development process is influenced by forces external to it. In the case of Pierre, the MODB and FIDEB, those forces ranged from local woodcutters, charcoal producers, soldiers and moneylenders to national elections, a military coup d'état, general political turbulence and a U.N.-mandated military intervention. To the extent that such forces undermined, interrupted, reversed and transformed Pierre's efforts, they shed light on the relevance in Haiti of the "principle of the mutation and conservation of social energy."

After visiting IAF grantees in several countries in the early 1980s, Hirschman observed that frequently individuals who "had previously participated in other, generally more 'radical' experiences of collective action that generally had not achieved their objective, often because of official repression," nevertheless maintained their "early aspirations for social energy." This social energy, he wrote, "becomes active again, but is likely to take some very different form." It is this maintenance and renewal of energy, which he witnessed repeatedly during his visits to IAF-supported organizations, that Hirschman captured in his social energy principle. Jolissaint Pierre's career illustrates the continuing validity of the principle 23 years after it was unveiled, not only as it relates to resilience among leaders and organizations associated with IAF grants, but also as it relates to how their efforts, despite devastating set-backs and apparent failure, bring transformative results.

Pierre's involvement in catalyzing grassroots development in Belle Fontaine through the MODB and its *gwoupman* was certainly, in the Haiti of the 1980s, a radical example of collective action. The

MODB and its approach toward grassroots development was a threat to the interests of those protecting and benefiting from an oppressive status quo served by a disaggregated and ill-informed peasantry vulnerable to predatory expropriation through such exploitive acts as unbridled taxation and usurious loans. From its inception in 1985 through the 1991 coup d'état, the MODB labored to improve conditions in Belle Fontaine against this backdrop of officially-sanctioned intimidation.

During his fearful period of exile, Pierre maintained his social energy through contact with other exiled development workers and with MODB members from the mountains. The experience of *lekòl dijans* led to a significant transformation—or mutation—of his social energy and methodology when he and other *animaté* moved beyond aspirations for their home communities toward a broader plan to confront development needs throughout Haiti that set the stage for FIDEB and its more comprehensive focus. Despite set-backs, FIDEB has helped Haitian grassroots development incorporate the concept of local development through partnerships that mobilize community resources and cross sector lines. FIDEB's experience and the disappointment suffered in Belle Fontaine have further channeled Pierre's social energy into prospects for enhancing opportunities across localities, as with, for example, COPDET. Finally, the *animaté's* social energy continues to mutate as he considers possibilities that Belle Fontaine's historical heritage might provide a new direction for its development.

Jolissaint Pierre represents not only an indefatigable spirit. From the perspective of the Inter-American Foundation he is also a walking example of growth and transformation that offers important insights into the application of development theory and analysis. And his story is proof that the determination and drive to overcome obstacles in the path toward grassroots development in Haiti is alive and well—and merits robust support.

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Patrick Breslin

Ana Rosario Guzmán of ARB sorts recyclables at the Parque de Reciclaje de La Alqueria in Bogotá.

Community-Based Recycling Initiatives

By Martin Medina

Anyone who has lived in Latin America or the Caribbean countries has seen people of all ages scavenging materials from garbage. Many start by salvaging food to eat and other discards to use in building their shanties. In time, they realize that they can earn a subsistence income from other people's trash. Waste pickers are portrayed in the media as among the poorest of the poor and they are, in fact, disadvantaged and vulnerable. They work on the streets and in open dumps where they face multiple hazards. They are associated with filth, disease and squalor and are perceived as a nuisance, a symbol of backwardness, even as criminals. Once they organize, however, they can escape poverty and make a solid contribution to society.

The Inter-American Foundation has funded more than 15 community-based recycling initiatives. These grantees have developed viable businesses that incorporate all aspects of the waste management pro-

cess and turn itinerant scavenging into a profession. They improve the lives of their members and other waste pickers and provide important environmental benefits to their communities. To understand the significance of recycling as a contemporary urban phenomenon, the IAF commissioned a study of eight recycling grantees in six countries.

Economic activities can be "formal" or "informal." Formal activities are regulated and taxed; informal activities are not. The recovery and sale of discarded items began as an informal way of making a living, perhaps centuries ago. (*Pepenador*, the Mexican word for scavenger, derives from Náhuatl, an Aztec language.) Today's proliferation of scavengers has its roots in 60 years of population growth and migration to the cities, in low educational levels, in lack of employment opportunities, in production and consumption that generate a steady flow of garbage, and in the industrial demand for inexpensive

raw materials. Scavengers total as many as 3.8 million individuals in Latin America; the larger the city, the more it has. São Paulo, Buenos Aires, Bogotá and Mexico City have tens of thousands.

The demand for recyclable materials is stronger where industrialization is advanced and diverse. Individuals sell items to middlemen who resell to scrap dealers who resell to industrial clients who purchase in quantities no smaller than a truckload and only materials that are sorted, cleaned and processed—cardboard and paper into bales, plastics into granulates. Scavengers operating alone cannot perform post-collection functions and so are at the mercy of middlemen whose abuses run from rigged scales to the exercise of the monopsonistic power of a market consisting of a single buyer.

Twenty years ago there were very few waste-picker organizations in Latin America and the Caribbean. But in the 1980s, waste pickers began to realize that they could get ahead collectively. Their cooperatives and other forms of association in South America have since exploded to number an estimated 1,000, more than in any other region of the world, with most in Brazil, Colombia and Argentina. For scavengers, the significant benefits of working together are the ability to obtain better prices—by circumventing middlemen, selling in volume and adding value to the materials sold—as well as a better bargaining position with industry and government. Once cooperatives are legally constituted as nonprofit organizations, they have the power to enter into a contract or a grant agreement. Support from the IAF and other donors has been crucial to efforts to organize, to a better standard of living and to advances in terms of decent working conditions, humane labor practices and personal dignity.

Asociación de Recicladores de Bogota (ARB) was the first recycling initiative to receive IAF support, which was channeled through a grant to Colombia's Fundación Corona, the corporate foundation of Organización Corona, a manufacturer of home construction materials. ARB, created in 1989, represents the 21 affiliated waste-picker cooperatives located in the Colombian capital. For much of the 20th century, the recovery of recyclable materials from trash was illegal in Colombia, as it was elsewhere, and such activities were considered a problem to be elimi-

nated, at one point with a para-military initiated “social cleansing” campaign. Colombian waste pickers banded together to defend their livelihood and change the government's and the public's negative perception of it.

ARB's efforts have resulted in a stable and higher income for waste pickers as well as training for professional advancement, access to scholarships and home loans, and, for some families, housing constructed by the city. More recently, ARB's *recicladores* successfully negotiated with households and businesses the separation of recyclables before pick-up by collection trucks contracted by the city to transfer them to the city-owned sorting plant administered by the ARB. Source separation constitutes a dramatic step forward for *recicladores*. It produces a higher volume of clean materials and collecting them at the source makes for a much healthier working environment than searching through dumps, gutters and garbage cans. (ARB was profiled in *Grassroots Development* 2002.)

Organization is, of course, the first step in the grassroots development process and for recyclers its repercussions can be far-reaching. Groups of scavengers who form national associations to defend their interests have political clout. Some have successfully lobbied to change law and policy, catalyzing the transition of scavenging from an informal to a formal activity. In 1986, ARB joined other Colombian *recicladores* as a founding member of the world's first nation-wide movement of recyclers; it has grown to include 150 cooperatives as well as regional and local associations. Efforts by the national association resulted in Colombia's Law 511, enacted in 1999, legalizing recycling activities. Brazil has 500,000 waste-pickers, known as *catadores*, who recover 90 percent of the paper, metals, glass and other materials recycled by industry. In 2001 these Brazilians formed the Movimento Nacional dos Catadores de Materiais Recicláveis, the world's largest nation-wide organization, with 500 affiliated cooperatives representing 60,000 individuals. It is credited with changing Brazilian law, which now recognizes and supports the activities carried out by the informal recycling sector.

IAF grantee Associação dos Catadores de Papel, Papelão e Material Reaprovitável (ASMARE), founded in 1988 in Belo Horizonte by 14 homeless scavengers, is a stunning example of a successful recycling

enterprise. Each month its 250 members, 55 percent of them women, recycle 450 tons of presorted paper, cardboard, plastics and metals picked up at schools, businesses, residences and office buildings. The volume of work nets members up to six times the Brazilian minimum wage and an incalculable feeling of self-worth. "ASMARE changed our lives," said Dona Geralda, a founding member. "People now treat us like human beings. We emerged as human beings and as citizens." With IAF's support ASMARE built a warehouse and made a video to disseminate the experience which individual members are also engaged in promoting. (To learn more about ASMARE, see *Grassroots Development* 2002 and 2004.)

Cooperativa da Coleta Seletiva e Reciclagem de Resíduos Sólidos com Formação e Educação Ambiental (100 Dimensão), another IAF grantee, looked to ASMARE as a model. Founded in 1998 in a Brasilia neighborhood plagued by poverty, unemployment and hopelessness, 100 Dimensão grew

from 37 founding members to 200 workers under the leadership of its president Sonia Maria da Silva and with IAF support. Its members, who collect 70 tons of material a month, discovered early on that they could make money by fashioning recyclables into decorative items, such as metal sculptures, lamps and clocks. The crafts have sold well and, as a source of income, they are, unlike bulk recyclables, resistant to fluctuations in price.

A third IAF Brazilian grantee incorporates social responsibility into its recycling mission in the state of Rio de Janeiro. Cooperativa Mista de Coleta Seletiva e Reaproveitamento de Mesquita (Coopcarmo), legally constituted in 2003, has only 19 members, all women of African descent, who founded it hoping for a cleaner environment and a way out of poverty. In addition to paper, plastics and metals, members collect discarded appliances, furniture and clothes for reuse and repair. Through theatrical productions in surrounding communities and visiting door-to-door,

Recycling textile waste into garments at ABA.



Sean Sprague

they encourage residents to separate their recyclables before disposal. Coopcarmo belongs to a regional network and the national movement of *catadores*, and is represented in an international campaign to involve low-income young people in environmental protection. The municipality of Mesquita, where it is located, along with local retailers and Petrobras, the Brazilian oil company, are partners in Coopcarmo's activities and in a program providing shoes and clothes so members' children can be properly dressed for school.

IAF-funded recyclers in Daule, Santa Lucia and Palestina, located north of Guayaquil, Ecuador's largest city, have also shown how their activities can result in cleaner communities, with benefits for the environment and health. Residents of these small towns are extremely poor and used to have serious problems managing waste. Garbage accumulated on the streets or was dumped into the Daule River or open fields. As a solution, the organization Manejo Integrado de Desechos Sólidos (MIDES) proposed an integrated community-based system that would overhaul waste collection, transport and recycling, through its program including the development of a landfill as well as an intensive educational campaign through the media and neighborhood meetings.

The grantee initially met with some difficulties: After the preparatory studies for the landfill were completed, one property owner withdrew his offer to sell his parcel. Another parcel became available but required further study and adjustments because of differing soil composition and an underground river. A sanitary landfill must be lined with a geomembrane to minimize leakage and potential contamination of groundwater and the soil; wastes must be spread in layers, compacted and covered. Because of the river under the parcel, a stronger, more costly liner had to be used. Additionally, the parcel was located near an untreated dump which threatened to leak waste and pollutants. Supplementary IAF funding was required to close the neighboring dump properly and decontaminate it.

MIDES used IAF funds to purchase pushcarts, dump trucks and compactor trucks as well and launched a wet/dry collection system by installing black bins for nonrecyclable waste and green bins for recyclables. Working with the three municipalities,

MIDES also created Ecuador's first regional waste management authority, Compañía de Economía Mixta Operadora Intercantonal de Saneamiento Ambiental (CEIMOSA), a nonprofit, public-private enterprise to manage the landfill and oversee trash collection, assuring that cleanliness will be maintained. Local physicians say they see fewer cases of communicable diseases, which they believe is related to the improved waste management, although no hard figures are available to confirm this benefit.

ABA's recycling center in San Salvador.



Fundación Papyrus, in Caracas, focused its IAF-funded recycling project on teaching children the environmental benefit to the community. It also expected funds to accrue to their schools through the collection and sale of materials. In 1994, in collaboration with Manpa, its parent company and one of the largest paper manufacturers in Venezuela, Fundación Papyrus began training teachers and students in 25 public schools in Maracay, southwest of Caracas, to promote environmental awareness and recycling in their communities. Each school designed its own recycling project; most created collection centers, primarily for paper. Children learned by doing, rather than in the abstract, that recycling paper preserves

forests, reduces pollution, saves energy and water, and cuts costs for industry. Art teachers offered instruction on making handicrafts from the paper collected as well as from plastic bottles and aluminum items, which are exhibited yearly at a school fair. Generally, teachers thought that industry profited the most from the recycling project. But several schools seized the opportunity to sell the materials collected and used the proceeds to install air conditioners and build roofs over school patios and playgrounds.

The IAF study confirmed that where their work is legal—and fairly compensated—scavengers feel a sense of dignity and acceptance. Trappings such as uniforms and identification cards reinforce a positive self-image. A survey revealed that the average member of the recycling cooperatives studied is 38 years old and has been engaged in recycling for eight years; most workers are literate and few are married. Women are in the majority in the cooperatives surveyed. “Women can work together, but it’s very hard to get men to work together,” explained a member of the Fundación para el Fomento de Empresas de Recolección y Tratamiento



Vermicomposting is a hands-on activity for Jorge Martín of ABAILOPANGO.



Sean Sprague

Ambiental de los Desechos Sólidos de Ilopango (ABAILOPANGO) in El Salvador, whose 15 members include 13 women. Most of the recyclers surveyed (80 percent) recover materials that have been segregated at the source. Nearly all (98 percent) like their jobs; most (91 percent) said that they earned more by working in the cooperative and many (86 percent) reported it had improved their living conditions. Their homes are connected to sewers (88 percent), electricity (100 percent) and water (97 percent).

Nonetheless, nearly all these recyclers held different aspirations for their offspring. Most parents surveyed hoped their children would find another, easier way to make a living. Some, however, expressed a belief that the worst was over for recyclers and that the future seemed bright. These parents hoped that their children would benefit from being part of the labor force engaged in municipal waste management. Notably, none of the grantees surveyed uses child labor. Said Cristina Lescano, founding director of Cooperativa El Ceibo in Buenos Aires, "We knew from the start that the children should attend school. Only adults would work for the cooperative." Many recycling cooperatives in fact condition membership of parents on keeping their children enrolled in school. All of the school age children of the respondents to this survey could read and write, and four were university graduates.

The future of community-based recycling programs depends to a large extent on government policy. Supportive policies, such as those in Brazil and Colombia, have strengthened recycling cooperatives and national movements. Without such official support, initiatives can wither. Nine scavenger cooperatives offering waste management services emerged in the late 1990s in El Salvador partly as a result of the support and training offered by Fundación para el Fomento de Empresas para la Recolección y Tratamiento Ambiental de los Desechos Sólidos (ABA), an organization focused on the serious problems of waste management and unemployment. But only two survived the enactment of a 2001 law which brought competition from private-sector companies offering the same services.

The two surviving cooperatives had a more diversified clientele from the outset. They are still in business because, unlike the other seven, they

were not dependent on municipal contracts, and the new law did not affect them. One, Asociación de Basurólogos de la Zacamil (ABAZAC), formed in 1988, had taken 10 years to find its niche, for which it credited its training offered by the ABA Foundation. Now, in addition to recovering recyclables from the garbage collected, ABAZAC members provide cleaning services, sweep the streets, haul bulky items, and engage in vermicomposting, a process using earthworms to decompose produce from city markets for sale to landscapers and gardeners. Anyone interested in do-it-yourself composting can buy the co-op's starter kit. Like ABAZAC, the other survivor, ABAILOPANGO, does vermicomposting and even sells starter kits to the public. Its members also earn a steady income by recycling industrial textile waste into 2,000 mops every month to sell to a supermarket chain.

In view of these and other successful examples, it is surprising that recycling organizations were ignored for so long by the major funders of development. The IAF was obviously ahead of the curve in recognizing potential. Currently, however, multilateral donors, such as the World Bank and the Inter-American Development Bank, are evaluating their policies toward recycling, and they appear likely to increase support. Waste pickers, once they organize, develop new priorities and at the top of their list is "social inclusion," meaning that they want a voice in the decisions that affect them, including as part of their cities' waste management systems, and they want to enjoy the public services that have not been reaching them. Recyclers from Africa, Asia and Europe, as well as from Latin America, recently met in Bogota to discuss their accomplishments and their challenges. Also on the agenda was the development of an international network to further their interests as professionals who contribute benefits accruing to households, cities, industry and the environment. Add to those the possibility of reducing poverty and it appears clear that organized recycling by workers drawn from the world's poorest citizens should be actively supported as a perfect example of sustainable development.

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Cashing in on Specialty Coffee in Nicaragua

By Philip Walsh

All photos by Mark Caicedo



The coffee industry is booming—internationally as consumption hits historic highs and in Nicaragua where coffee is the most important crop. But the economics of coffee are such that the benefit of the boom often does not reach the family farms that produce most of the world's supply.

The best coffee grows in remote areas at high altitudes. The ripe cherries are hand-picked over a four-month harvest period. Farmers remove the pulpy flesh before the “beans” are transported to a mill for further processing, inspection, grading, sorting and sale. Coffee as a commodity is most valuable when it is sold after having been processed, graded and sorted. However, many Nicaraguan farmers sell unprocessed beans to intermediaries and, as a result, lose the income that is generated through processing and selling higher up in the value chain.

IAF grantee Sociedad de Pequeños Productores Exportadores y Compradores de Café (SOPPEXCCA), consisting of 15 coffee cooperatives in the department of Jinotega in northern Nicaragua, is helping its 650 farmer-members move up the value chain by improving their coffee quality and their ability to process high-quality beans and sell directly to the export market. In addition to promoting better farming methods, SOPPEXCCA has invested in a state-of-the-art laboratory, which lets farmers know how their coffee measures up to international standards and address any imperfections that may reduce the value. The quest for quality has already earned several SOPPEXCCA farmers high marks in the annual Nicaraguan Cup of Excellence competition.

In the community of La Perla, SOPPEXCCA built an “ecological” wet mill, which keeps beans intact





Testing for taste and aroma standardizes the quality of coffee processed from beans grown on 650 farms.



during depulping, thereby resolving a significant issue in quality control. The mill also reduces pollution in the local water sources caused by the traditional depulping and fermentation process. SOPPEXCCA's new truck makes farmers less dependent on intermediaries to transport coffee from farm to mill. To increase local sales SOPPEXCCA built Café Flor de Jinotega, the first coffee shop in a region recognized for growing superior coffee but not for its coffee-drinking culture. The grantee also developed two brands of coffee processed by the cooperatives: Flor de Jinotega and Las Hermanas. The latter is produced exclusively by women, who comprise 40 percent of SOPPEXCCA's membership, and is marketed to U.S. consumers by Peet's Coffee & Teas.

SOPPEXCCA has significantly increased the percentage of its members selling "specialty coffees," those that are certified as Fair Trade, organic or both. These certifications are available to farmers meeting internationally established environmental and labor standards and marketing their coffee through producer-owned and -operated organizations. Currently the demand for specialty coffee is outpacing the supply and sales are growing at a rate of approximately 30 percent a year. Major retailers in the United States using it in their brews include fast-food colossus McDonald's and Starbucks, the world's premier coffee vendor. Starbucks and Caribou Coffee feature Fair-Trade options among their selection of packaged beans



Café Flor de Jinotega



and grinds. Some outlets, such as the Dunkin Donuts chain, sell only coffee certified as Fair Trade.

Farmers market Fair-Trade coffee for between 10 and 15 percent more than the going rate for non-certified coffee and receive additional benefits through their organizations. Overseas purchasers of Fair-Trade coffee use SOPPEXCCA as a conduit for pre-harvest loans extended at affordable rates so its farmers can pay for the labor required to pick the crop. Traditionally they had to rely on cash loans repayable in kind on terms set by local coffee buyers in “futures contracts,” which left an extremely slim profit margin. Wholesalers also pay an additional “social” premium for Fair-Trade certified coffee, typically around \$10 per 100-lb. sack, which is channeled to a fund from

which farmers’ grassroots organizations can draw to invest in projects addressing high-priority needs in their communities. SOPPEXCCA has used these resources to open pharmacies in isolated rural communities, build schools, and operate literacy and adult education classes as well as arts, culture and education programs for the children of coffee farmers. In recognition of these accomplishments, the Specialty Coffee Association of America awarded SOPPEXCCA its Sustainable Business Practices Award in 2007.

Philip Walsh is IAF representative for Nicaragua.



Decentralization Peruvian Style: Issues of Will and Resources

By Wilbur Wright

The IAF has spent nearly 40 years promoting bottom-up development. The premise is simple: People organized at the grassroots level are aware of the problems in their daily lives and know best how to solve them. Pumping resources into projects concocted and undertaken by central governments without local participation only results in crumbling monuments to failed top-down approaches. But when grassroots organizations take charge, they often produce the tangible improvements essential to a brighter future.

Over the past few decades, decentralizing government has been heralded as a way to give people at the grassroots more of a say in setting development priorities and spending public funds. By the 1990s, centralized bureaucracies throughout Latin America were ready to yield some of their authority, responsibilities and resources to smaller administrative units closer to their constituents. Legislatures from Guatemala to Bolivia have since enacted sweeping reforms mandating that local officials work with the grassroots in planning and managing development. The result has been a radical overhaul of traditional structures, and Peru provides special insight into the

role nongovernmental organizations have played as principles are put into practice.

According to a World Bank Institute working paper, decentralization usually follows one of three forms. *Deconcentration* results in the least radical shift; responsibilities, but not authority, pass from the central government in the capital to its representatives in regional centers. *Delegation* is a more dramatic transfer of authority and responsibilities, but the central government maintains ultimate control over the local bodies and the policies they implement. *Devolution* entails granting authority to local entities outside the organizational structure of the central government and, therefore, beyond its direct control. This is the approach in Peru.

Decentralization in Peru is a work in progress begun in the mid-20th century. In the decades before the 1968 military coup led by Gen. Juan Velasco, something akin to decentralization was taking place, but the approach resembled delegation. Within various departments of Peru, rehabilitation boards, also known as development corporations, were created under the supervision of the Ministerio de Hacienda (now the Ministerio de Economía y Finanzas) to provide services related to disaster relief and to housing, agriculture, commerce and

health services at the local level. These early attempts at decentralization were abruptly halted by the military government and lay dormant through the first administration of Peru's current president, Alan Garcia (1985-1990). A reawakening to the significance of local government took place when the Fujimori administration needed to counter the Sendero Luminoso's inroads into indigenous highland communities, but violence precluded any progress in this area. When the violence subsided, and Fujimori had been forced out of office, the interim administration of Valentín Paniagua reopened the discussion of decentralization in an attempt to re-engage Peruvians as citizens, especially outside of Lima.

The legal framework

If Paniagua moved the rudder of the ship of state, it was Alejandro Toledo who took the helm and called on the Peruvian Congress to raise the legislative sails. Under the Commission for Decentralization

and Regionalization led by Luis Guerrero, the former mayor of Cajamarca, the Congress responded with legislation to guide a devolved approach to decentralizing power. On July 20, 2002, Toledo signed the Decentralization Framework Law which clearly outlined the steps to be taken and the responsibilities to be transferred to local entities. The law unequivocally provided for a measured and balanced process and prescribed that all responsibilities be accompanied by the necessary resources. It was to be applied incrementally, with social and infrastructure programs transferred first and responsibility for education and health services devolved last.

Additional laws quickly followed: in November 2002, the Organic Law for Regional Governments; in May 2003, the Organic Law for District and Provincial Municipalities; and in August 2003, the Participatory Budget Framework Law providing for the direct involvement of local residents in setting priorities for the capital investments of local gov-



Courtesy SID-Perú

By law, community residents must gather annually to set development priorities and draft proposals for government funding.

ernments. A fourth pillar of decentralization, the Organic Law for Executive Power, remains bogged down in congressional debate. This unfinished piece of legislation is essential to a fully functioning process because it spells out the responsibilities, especially the fiscal duties, of the central government.

Most of this transpired at the initiative of the Peruvian government with little debate at the local level and few plebiscites. The public did have an opportunity to weigh in when, in 2005, the Toledo government proposed consolidating Peru into a few macro-regions, each with a substantial degree of autonomy. The referendum resulted in a resounding rejection of the concept. Only in Arequipa, a region traditionally inclined toward autonomy, did a majority favor the proposal. Rejection was interpreted as victory for a strong central government, and devolution lagged as evidenced by the difficulty in passing the last of the decentralization laws. The 2005 defeat was viewed as a sign that change could be slowed or ignored with little chance of repercussion from the central authorities. To some it signaled that the entrenched system of political patronage and centralized government control would continue, unthreatened.

NGOs take the reins

But while the Peruvian Congress has debated the process and put the guidelines in place, civic organizations throughout the country have carried decentralization forward by lobbying local officials, by trying to comprehend the directives and by requesting central government agencies assure guarantees in the new laws take effect. Most importantly, they have gathered their neighbors to discuss the relevant issues and take command of the process. These nongovernmental organizations have done the heavy lifting—meeting, training, mobilizing resources and winning the collaboration of local officials. Since 2003, the Inter-American Foundation has supported several NGOs assuming these challenges. Their undertakings have not been uniform in approach nor equal in scale and complexity, but the objectives have been similar: greater involvement of citizens in the decentralization process in order to plan the economic and social development of their communities. The NGOs took their efforts into rural and urban municipalities, some with no channels to the

resources desperately needed for their impoverished citizens and others with access to more resources than they could possibly manage.

Filling a resource gap

IAF grantee Estrategias para el Desarrollo Internacional–Perú (SID-Perú) has been assisting a consortium of six rural municipal districts in their collaborative effort to take advantage of the new legislation to access resources and acquire the benefits of economies of scale. Capachica, Coata, Huata, Pusi, Amantani and Caracoto are located in Puno on the northern banks of Lake Titicaca. They lack the mineral and hydrocarbon deposits that could produce tax revenues and they are sparsely populated, resulting in a low allocation of resources from the central government. This means limited capital to invest in development. A majority of the elected officials don't even live in the districts they represent, so there was little initial compliance with directives of the new laws. SID-Perú took steps to change this, first by turning attention toward the new responsibilities



Courtesy SID-Perú

Capachica's district council.



Public forum in Pusi.

of municipal leaders and the new rights of district residents. Training followed that prepared producer groups for active involvement in drafting local development plans and in the steps necessary to ensure transparency and maximum participation.

But still the district governments did not have, nor could they acquire, the resources to address the many priorities articulated in the public budget exercises required by law. The NGO staff knew that without any government response, disillusionment and frustration could set in and residents could lose confidence in the process and withdraw their involvement. SID-Perú filled this gap by creating a fund to support small-scale development initiatives proposed by local associations. Its purpose, beyond supporting the projects, was to encourage the groups to set goals, strategize and design projects they defended in meetings on priorities. This experience developed the skills they needed to become active in the decentralization process.

SID-Perú has now completed a third cycle of development assistance using the fund with full participation from local associations. However, the municipalities have lagged in their response for

several reasons. The local 2006 electoral campaign caused a major delay as candidates showed little patience with a participatory process. Unanticipated decrees from the Peruvian government generated uncertainty and fears of more directives requiring even more adjustments, so that inaction became the most pragmatic option. The leadership in one member municipality reacted by withdrawing from the consortium, although another district, Caracoto, promptly took its place.

Nonetheless, SID-Perú and the consortium can point to accomplishments. According to an independent evaluation, the development fund was a key element in generating enthusiasm. Planning projects and budgets laid the groundwork for residents to be effective players in the decentralization process; advocating for their priorities in agriculture, livestock improvement, eco-tourism and craft production resulted in economic gains. Municipal staff and elected leaders improved their managerial and technical skills.

Such progress could eventually attract resources from Peruvian government programs, but much remains to be done. Four of the six districts have

new mayors and new staff that must be trained and brought up to date. Efforts to expand participation must continue. More ambitious projects requiring greater inter-district coordination need to be undertaken so the districts' potential is recognized by the Peruvian government and by international donors. SID-Perú remains committed. Its effort shows that even the most rural and resource-deprived jurisdictions can comply with governmental mandates requiring them to respond to grassroots priorities.

Urban challenges

The three outlying areas of metropolitan Lima known as Cono Sur, Cono Este and Cono Norte are each a concentration of over-crowded districts, most of which sprouted in the 1960s and 1970s as *pueblos jóvenes*, or squatters' settlements. Population density means they have revenue from taxes, fees and licenses and a pool of human resources. Compliance here with the directives of the decentralization process requires an approach that differs significantly from that used in rural Puno. The support of an experienced NGO with a staff highly skilled in negotiation, conflict resolution, interpersonal relations and group organizing is far more important than that of one with technical skills in economics and vocational development.

ALTERNATIVA—Centro de Investigación Social y Educación Popular (ALTERNATIVA) has been working with the Cono Norte since 1982, forming leaders and organizing for economic and civic development. In 1993, it brought all nine Cono Norte districts into a joint training initiative in harmony with legislative efforts to decentralize government responsibilities. It created a leadership institute to train men and women interested in grassroots organizing, public debate and municipal budgeting. ALTERNATIVA also worked directly with local mayors to form a consortium that could address common problems and draft proposals for the provincial and the central government. The collaboration resulted in proclamations on broadening participation and the assumption of greater responsibilities for governing at the local level. That sparked wider discussion of decentralization among all 46 districts constituting metropolitan



Lima. Although many positions taken by the mayors met with strong resistance in Peruvian government ministries, the statements and publications helped keep the debate alive even during the increasingly authoritarian Fujimori administration.

In response to the change in government in 2002, and to the greater openness of President Paniagua to a reinvigorated discussion on decentralization, ALTERNATIVA revamped its programs to prepare municipal leaders and their constituents to comply with the new laws. The first step was to help each district in the Cono Norte open an office to encourage involvement in public hearings and preliminary consideration of local development plans. ALTERNATIVA also created exercises aimed at integrating municipal employees into the process, making them proactive rather than reactive to the changes in planning and budgetary procedures.

To determine how ALTERNATIVA could assist local government in adapting to the requirements in the decentralization laws, pilot programs of training and assistance followed in three representative districts: Comas, one of the most prosperous municipalities in the Cono Norte, has a large commercial sector and significant educational and medical institutions. Ate, in the Cono Este, covers an extensive geographic area and has a large informal sector. Most people in Juan de Miraflores, in the Cono Sur, a residential barrio within a large metropolitan area, commute to work elsewhere.

In each municipality barriers to decentralization were the same. Administrators and staff were reluctant to relinquish information, authority and what access to power circles and resources they had. Participation in the planning and budget process was not representative of the district's demographics. Often the problem was not so much an unwillingness to engage local citizens in the process as it was the disorganization or utter lack of the data essential to full participation. But local officials preferred to obfuscate rather than admit the problems.

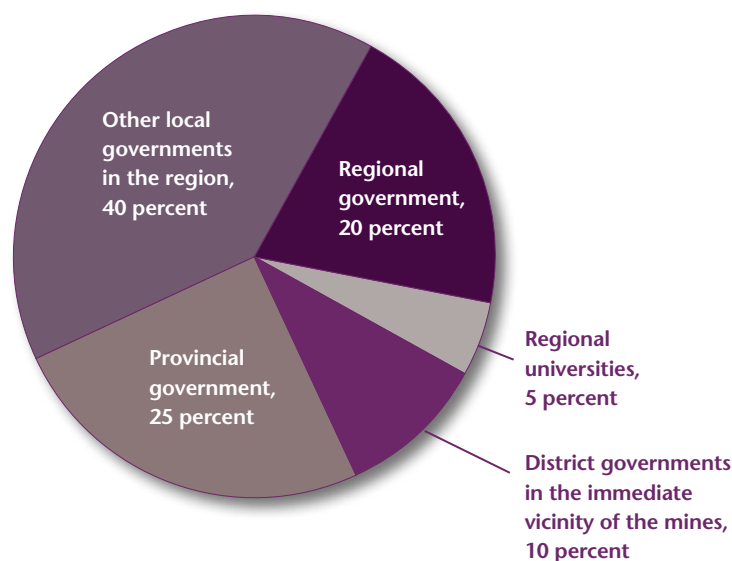
ALTERNATIVA and other concerned organizations decided on a two-pronged approach:

First, municipal ordinances spelled out the roles, responsibilities and documentation essential to the transparent preparation of development plans and the budget. Second, an assembly for district development was created with delegates from local government, civic organizations and businesses; each sector had a voice in drafting the documents. Comas' assembly serves as a model. Ate made progress by following similar steps until the municipal elections of late 2006 brought in new leadership, temporarily delaying formation of an assembly and the approval of ordinances. In San Juan de Miraflores, however, political power is concentrated in a small circle unwilling to move beyond minimal compliance with decentralization laws. Encouraged by ALTERNATIVA, officials in four neighboring districts have been pressuring their peers in Miraflores to open their district to more participation by joining in a collaborative effort to prepare a development plan covering the entire southern cone of metropolitan Lima. The generosity of the district authorities in sharing technical staff has been a major factor in bringing San Juan on board as a more willing runner in the marathon to decentralization.

Wealth from *el canon*

El canon is a portion of the income tax revenues paid by mining operations to the Peruvian government. In the region of Cajamarca, in north central Peru, district municipalities are eligible to receive tens of millions of dollars from *el canon* levied on Yanacocha Mining, a subsidiary of Newmont Mining Corporation of Denver and the second most productive gold mine in the world. A local NGO, Asociación para el Desarrollo Local (ASODEL), has been assisting Baños del Inca, Encanada and Cajamarca, three districts adjacent to the Yanacocha mine, with their first steps toward the effective use of their canon revenues. Currently, this considerable sum is estimated at \$8.6 million, but these communities get only a tiny fraction of that amount because of Peruvian government concerns about their ability to invest the funds. ASODEL and many district residents believed the government's concerns could be neutralized if residents could plan and prioritize development initiatives in compliance with the new laws.

Income-tax revenues collected from mining companies in Peru are split evenly between the central government and el canon, the portion distributed among universities and the various levels of government in the administrative divisions in which the mines are located. Peruvian law currently assigns el canon as follows:



So ASODEL held meetings in 84 communities of the three districts. At the outset, residents surveyed the state of their natural resources, agricultural and livestock production, social infrastructure and civil society. With the information gathered, they formulated objectives, laid out strategies and prioritized projects and activities. Hundreds of residents, including elected officials, received training in leadership, conflict resolution, project management and the requirements of the decentralization laws. Another 200 were trained as rural promoters to stimulate participation in the public planning meetings. In all, between 2004 and 2007, ASODEL trained 720 people and motivated 32,700 district residents to participate in drafting 121 local development proposals which were then incorporated into each of the respective district's development plan. Of these, 207 projects were designated as priorities for the municipal budgets. Many were funded and have brought material benefits to more than 6,500 district residents.

ASODEL had encountered a populace that had little initial understanding of the decentralization laws. Community and family rivalries posed obstacles to collaboration. Some elected officials resisted the



Participants in a session to set priorities for development in Cajamarca. ASODEL facilitated meetings over several days.

effort, stonewalling and overtly attempting to misdirect or corrupt local initiatives in order to maintain control and continue the status quo. Here too the elections of late 2006 caused delays and prompted campaign promises that conflicted with or abused the decentralization process. Upon taking office in January 2007, some new officials claimed ignorance of accomplishments under their predecessors or failed to follow the priorities previously set. In one district, the winning candidate was elected with only 18 percent of the vote due to the number of candidates running. As the new mayor, he showed little regard for the broader public interest expressed before he took office.

ASODEL addressed these problems by sharing the experiences of other districts as well as examples of tangible benefits arising out of a participatory approach to local development. In addition to using its staff's skills in conflict resolution and negotiation, it fostered a positive perspective on collaboration rather than "going it alone." Finally it called for cooperation from Yanacocha Mining—the source of el canon, primary bene-

factor of the Fundación de los Andes and manager of a community development fund managed by its public affairs office. Cumulatively, these actions are producing results but ASODEL is still in search of additional resources to reach beyond the *casarillos*, or villages, and *centros poblados*, or towns, in the three districts.

Meanwhile, tax revenues from *el canon*, royalties and excess profit continue to grow. However, access to this wealth remains blocked by the bureaucracies that condition the release of funds to local jurisdictions on demonstrated ability to administer them. The good news is that governments of Baños del Inca, Encanada and Cajamarca now receive more than \$1.5 million in *canon* revenues, representing a considerable increase in disbursements. Understandably, they want the full amount of their entitlement and they believe they have shown they can manage it.

An asset worth protecting

The Pacific coast of Peru was once home to one of the most productive fishing industries in the world. Now Peru's coastal communities suffer the results of overfishing and industrial pollution in terms of loss of employment, reduced income, a contaminated water supply and dangerous air quality. Vestiges of pre-Incan burial sites and temples have been exposed to the elements as areas were cleared for the construction of fish-meal factories. Decentralization



has saddled local governments with the daunting responsibility for repairing the damage and preventing further decline.

In the provinces of Huarua and Barranca, located at the northern border of the Lima region, the nongovernmental organization COOPERACCION is offering its services to municipal leaders and residents as they search for solutions. Having worked with local miners and fishermen for several years, COOPERACCION knows the needs and strengths of the communities and their respective governments. In 2003 it brought local officials and representatives of civil society together in discussions that generated various declarations, but the participants lacked a mechanism for turning their objectives into reality. Then, in 2004, Law 28056 opened a path. But first, COOPERACCION took stock of the leadership and technical staff available and developed a training program to help 2,500 individuals acquire skills in areas ranging from information-gathering to project management. In 2007 the NGO approached the IAF for support and received funding for its program to generate various planning tools to guide the communities' efforts. Among the results of the planning that ensued was the creation of a database specific to this stretch of Peru's Pacific coast.

The new skills gave municipal leaders of the district of Puerto Supe the confidence to announce their concern for the fragile nature of the coastal plain and to designate the area as a Zona Ecológica Económica where development would be carefully supervised. Any use of the zone must be compatible with environmental practices intended to counter pollution, replenish fishing grounds and protect pre-Incan archaeological sites. The database developed with COOPERACCION will help local governments respond more effectively to community priorities and proposals to the central authorities in control of essential resources. Peru's Agency for International Cooperation (ADCI) has recognized COOPERACCION with its outstanding NGO award for its work with municipalities in zoning this coastal area.



The coordinated effort of COOPERACCION and the 15 participating districts in the two provinces illustrates how the decentralization process can be applied to reconciling concern for the environment with economic development. It also shows the importance of training representatives from civil society and municipal personnel so that both sectors can fulfill their new responsibilities.

A continuing role

There are many lessons to be distilled from these four responses to the challenges and responsibilities of decentralization. Clearly, the process must be flexible enough to accommodate the uniqueness of each jurisdiction. And all sectors of society must have a seat at the table. The opportunity for participation must extend into the most remote reaches of the municipality and be open to everyone, regardless of gender, ethnicity, physical abilities, education or wealth. It must be guaranteed through ordinances that are enforced by the municipal government after approval pursuant to an open debate. Adequate training, tailored to the function and the circumstances of each municipality, should be available to prepare participants for their roles in the process.

All of this can be irrelevant, however, if resources are not available. Fortunately, Peru is experiencing a period of abundance as revenues from taxes, royalties, concessions and customs fill the national coffers. The decentralization process in Peru is far from complete, but the legislative framework is adequate and local governments have shown that they can assume burdens of compliance and produce the benefits. The Peruvian government has arrived at a formula for distributing these resources among jurisdictions throughout the country. The challenge now is to complete the process, and, as this article shows, Peru's nongovernmental organizations will be crucial to meeting it.

Wilbur Wright is IAF representative for Peru.

The New Alliance for Progress?

By Lester M. Salamon

In early 1961, President John F. Kennedy launched a bold initiative to swing United States policy toward Latin America behind the forces of reform in this region. Among the objectives of this highly touted Alliance for Progress were more progressive tax structures, meaningful land reform, and a commitment to foster democracy, build civic organizations and overcome poverty. Within 12 years of its announcement, however, Kennedy's initiative was officially disbanded, the victim of preoccupation with the Vietnam War, growing authoritarianism in Latin America and changing electoral politics in the United States.

Three decades later, in August 1995, a small U.S. government agency, the Inter-American Foundation, teamed up with Fundación Social of Colombia to launch another "alliance for progress." Unveiled at a conference in Cartagena, this initiative was not aimed at institutions of government but at two long-standing antagonists in Latin America's private sector: the business community and the growing network of grassroots and nongovernmental organizations. Its ambitious goal was to encourage business support for NGO programs of poverty alleviation, environmental protection and community empowerment.

Today, a little more than 12 years later, this effort to stimulate greater social engagement on the part of Latin American businesses is not only alive and well but has become something of a rage. Newspapers and magazines routinely issue rankings of corporate social performance; awards for exemplary corporate social engagement and courses on corporate citizenship have proliferated; evidence of social impact has become *de rigueur* in corporate annual reports; staid institutions like the Inter-American Development Bank have taken to staging elaborate corporate social responsibility (CSR) conferences; and business owners

have begun portraying their enterprises as "cultural transformation agents" imbued with a "new ethic" of sustainability. As one Latin observer put it: "It's hard for a company to avoid social responsibility these days."¹

How can we explain this striking development? How "real" is it? To what extent does the surge in corporate social responsibility represent a serious assault on the region's problems? To what extent is it a public relations gambit, a "defense mechanism," as the organizers of a 2004 IDB conference cautioned, that corporations are using "against criticism of their irresponsible behavior"?² To answer these questions, we must get beyond the rhetoric and success stories and look at the broader record of corporate social engagement and corporate-nonprofit partnership. This was the purpose of the report on which this article is based, which focused on developments in countries that span the spectrum of recent Latin American corporate experience—Argentina, Brazil, Chile, Colombia and Mexico.³

The corporate social engagement pyramid

Which criteria are most appropriate in assessing corporate social engagement?

The recent literature on CSR offers at least a partial answer. This literature promotes what might be termed an "MBA perspective," which views social engagement as "another tool in a company's strategic arsenal," as the organizers of the IDB conference put it.⁴ The test of effective corporate social engagement, according to this perspective, is the extent to which it moves beyond traditional, ad hoc and personalistic charity to become more institutionalized, more focused and more closely integrated with core business strategies—in a word, more *professional*. This perspective also emphasizes the formation of strategic

alliances to maximize the impact of social action. Underlying it, finally, is the conviction that, so conceived, corporate social engagement is not only good for society but good for business, and should therefore be aggressively promoted.⁵

This CSR perspective certainly resonates with critiques of business charity in Latin America. As one recent study put it, Latin businesses have long been “profoundly philanthropic,” a product of deeply held Catholic religious convictions. But Latin *filantropía*, while sizable, has historically focused more on the symptoms than the causes of poverty, operating in a highly paternalistic fashion and engaging a relatively narrow band of the business community.⁶ From this perspective, expansion and professionalization of the corporate philanthropic enterprise and increased reliance on strategic partnerships are, therefore, the most meaningful measures of positive change.

But in the context of Latin America, this MBA perspective, while useful, may not be sufficient. The deep social chasm separating the business elite from the poor suggests that a too utilitarian and self-serving approach to social engagement could backfire, intensifying suspicions rather than inspiring gratitude. At a minimum, this implies that businesses need not only to align their social engagement with their business strategies, but also to align their business practices with their social pretensions. What is more, the MBA model does little to overcome the paternalism that has long plagued the region. Fundamentally, it assumes that the task of formulating corporate social engagement strategies should be left to the business leaders and their consultants. The role of communities in this model is to gratefully accept what the corporations offer. But the Latin American poor are demanding more of a say over the forces affecting their lives. These considerations suggest five dimensions in terms of which recent developments in corporate social engagement in Latin America can usefully be assessed:

Proliferation—The extent to which social engagement has extended beyond large family-held firms and multinational corporations to engage the broader business community;

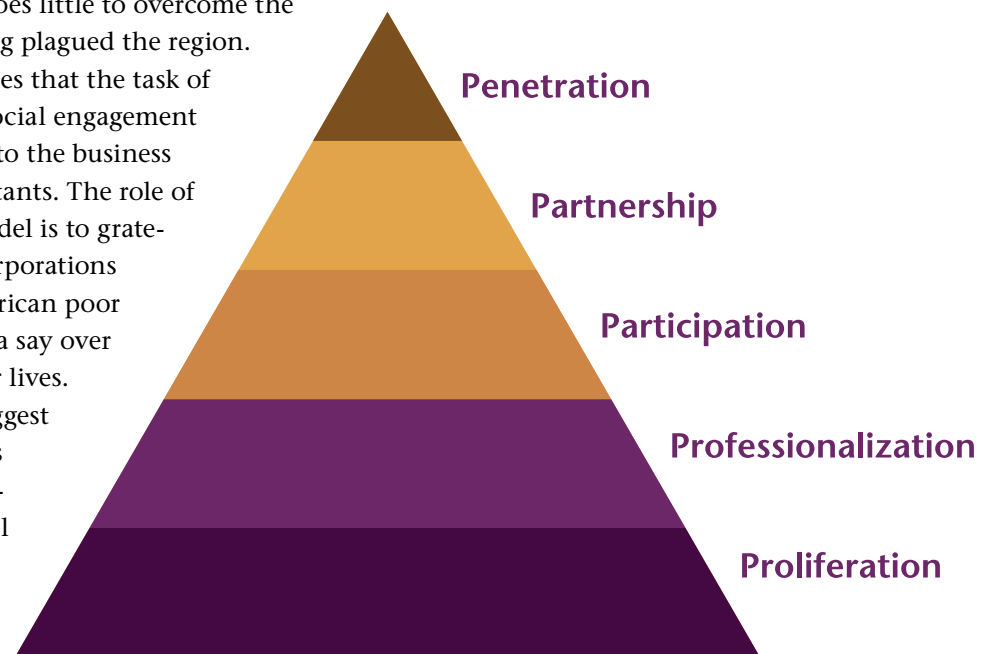
Professionalization—The extent to which it has moved from an ad hoc charitable operation handled within the family owning the business into an institutionalized function aligned with a coherent strategy;

Participation—The extent to which businesses, in designing their social engagement activities, are involving and empowering communities and beneficiaries;

Partnership—The extent to which businesses are forging alliances to gain traction on enduring problems; and

Penetration—The extent to which corporate social engagement objectives are affecting internal business operations.

These “five Ps” define the “corporate social engagement pyramid” shown below. Movement up the pyramid measures the transition from traditional business philanthropy to progressive corporate social engagement. How far, then, have Latin American businesses moved in this direction and what variations exist among countries?



CORPORATE SOCIAL ENGAGEMENT PYRAMID

The IAF and CSR

Since 1996, the Inter-American Foundation has funded grassroots development under bilateral agreements with the following organizations referenced in Lester Salamon's article: *Fundación Arcor* and *Fundación Juan Minetti* in Argentina; *ABRINQ*, *ETHOS*, *Fundação o Boticário*, *GIFE*, *IDIS* and *Instituto Qualidade No Ensino* in Brazil; *Asociación de Fundaciones Petroleras*, *Empresarios por la Educación*, *Fundación Corona* and *Fundación Social* in Colombia; *Fundación Telefónica de Chile*; and *CEMEFI* and *FECHAC* in Mexico.

Other IAF business-sector partners have included *Fundación Inti Raymi* in Bolivia; *Fundação Acesita*, *Fundação Otacílio Coser*, *Instituto de Cidadania Empresarial* and *Instituto Holcim* in Brazil; *Corporación Sociedad Activa*, *Fundación Microempresa y Desarrollo*, *Fundación Pehuén* and *Corporación Empresarial Acción y Responsabilidad Social Empresarial* in Chile; *Corporación Consorcio para el Desarrollo Comunitario* and *Fundación Antonio Restrepo Barco* in Colombia; *Fundación Lann-Nobis* in Ecuador; *Dibujando un Mañana*, *Fundación del Empresariado Sonorense* and *Fundación Merced* in Mexico; *AVINA Perú*; and *Fundación Papyrus*, *Fundación Polar* and *Petróleos de Venezuela (PDVSA)* in Venezuela. *The Levi Strauss Foundation*, headquartered in San Francisco, has collaborated with the IAF on various projects since 1978.



Mark Calcedo

The Mercado de Santa Rita, where Genoveva de la Rosa has a stall, is being restored through a partnership involving the vendors' association, former IAF partner *Fundación Restrepo Barco* and the municipal government of Cartagena, Colombia.

Proliferation

In 1990, after severe flooding devastated a large section of Chihuahua, Mexico, a group of businessmen agreed to a temporary "tax" on business earnings to finance recovery. Thus was born Mexico's first "community foundation," subsequently institutionalized as *Fundación del Empresariado Chihuahuense* [the Chihuahua Business Foundation] (*FECHAC*). Within a decade, it had a microcredit program and several other initiatives, inspiring a similar nationwide, business-sponsored community foundation, *Fundemex*.

The story of *FECHAC* is emblematic of perhaps the most basic feature of current Latin American business social engagement: its widespread proliferation. After lagging behind corporations in Europe and America, Latin American businesses appear on their way to forging their own "Latin style" of social engagement that is often more imaginative, more ambitious, more insistent and, perhaps not unexpectedly, more passionate than its counterparts elsewhere.

Scope

Solid data on this phenomenon is, sadly, still sparse. But enough is available to make clear that something significant, and potentially lasting, is under way. Consider for example:

- A 2004 survey by the prestigious Instituto de Pesquisa Econômica Aplicada [Institute of Applied Economic Research] (*IPEA*) in Brazil revealed that 59 percent of Brazilian companies, and 88 percent of companies with 500 or more employees, were contributing to some type of social activity. Contributions totaled 0.4 percent of gross domestic product, well above the 0.1 percent of GDP that companies contribute in the U.S.⁷
- At least 20 institutions are promoting CSR in Brazil. Instituto Ethos, perhaps the best known, boasts 1,250 members; 600 companies complete its social responsibility report.⁸
- Almost every leading Argentine company is involved in some kind of social action.⁹
- Courses in CSR have sprouted in business schools and are supplemented by numerous conferences and seminars.
- This activity has attracted an army of consultants and media attention. Mexico has four

magazines devoted to CSR; major dailies in Mexico, Argentina and Brazil run regular features on the topic.

- Award programs celebrating notable initiatives have also proliferated: Mexico sports at least seven CSR awards; Chile has a half dozen.

To be sure, there are enormous variations in the scope and seriousness of social engagement and there are real concerns about whether the reality measures up to the rhetoric. Even in Brazil, the apparent leader in the region, the dominant form of business engagement remains rather traditional: direct assistance to the residents of communities where plants are located. Elsewhere, developments have often not proceeded very far beyond the public relations stage. Still, there are enough examples of committed engagement in serious social and environmental problem-solving to convince even the most inveterate cynic that something significant is under way.

Explaining the upsurge

From the evidence available, both *demand* and *supply* factors seem to be causing this upsurge.

The demand side: The changing context

The demand for businesses social engagement has arisen from three sources. First, the neo-liberal policies introduced in the 1970s and 1980s, while freeing the region's business sector, shredded important social protections and thereby intensified entrenched economic inequalities. While the elite gained enormous wealth, the poor found it increasingly difficult to cope. In Brazil, the world's eighth largest economy, 54 million people, more than a third of the population, were officially classified as poor as of 1999, and 23 million of these were considered indigent. As growing numbers fled rural areas in search of work, sprawling *favelas* mushroomed in congested megalopolises, spawning crime and violence and causing the elite to retreat into walled residences and gated communities and to travel with armed guards.¹⁰

With government on the sidelines, these deteriorating conditions increased public demands on businesses. Those closest to the violence—extractive industries operating in areas with widespread guerilla activity—were the first to get the message and the first to respond. But astute business leaders elsewhere appreciated the situation. “I could see the Brazilian

reality,” noted Oded Grajew, founder of Instituto Ethos and former director of the Brazilian Association of Toy Manufacturers (ABRINQ). “Something had to be done.” Noted another, “Latin America is a time bomb.” For those slower to understand, the election of Hugo Chávez in Venezuela provided an object lesson. As one observer put it, “There is a fire around us.”¹¹

The social distress might still not have triggered a corporate response without a second demand factor: the emergence and growth of nonprofits that began to organize the poor and challenge the region's “social authoritarianism.”¹² This “associational revolution” changed the terms of debate, giving voice to those on the bottom of Latin American society and putting elites on the defensive. In many places, elites ignored or resisted these popular stirrings and sided with conservative regimes. But in virtually every country, and most notably in Brazil, at least some business leaders responded by accepting significant corporate responsibility for addressing the serious social and economic problems.

The third factor contributing to greater social engagement was the process of globalization. Between 1980 and 1996, foreign direct investment in Latin America and the Caribbean increased from 6.4 percent of GDP to 17.4 percent, with even more dramatic growth in Mexico and Chile.¹³ By bringing in a host of new players, many of them imbued with the CSR mantra, globalization changed the working environment, pushing Latin businesses to develop social engagement programs in order to remain competitive.

The supply side: Diffusion agents

While these demand factors may have been a necessary condition to stimulate business social engagement, they were hardly sufficient. Also required were effective diffusion agents.

Fortunately, they emerged in a number of places. Instituto Ethos was an outgrowth of the Foundation for Children's Rights created in the early 1990s by ABRINQ under Oded Grajew's leadership. Starting with 11 corporate colleagues in 1998, Instituto Ethos had attracted 760 companies by 2003 through a variety of social responsibility measurement instruments, an awards program and the successful engagement of the media in promulgating a new expectation of business involvement in addressing societal problems.

Centro Mexicano para Filantropía [Mexican Center on Philanthropy] (CEMEFI) has played a similar role in a somewhat more challenging context. Founded by businessman-philanthropist Manuel Arango Arias in the late 1980s to promote business philanthropy, CEMEFI made its way to the CSR movement by the late 1990s, launching the first CSR training program in Mexico in cooperation with the United Kingdom's Prince of Wales Business Leaders Forum, and then creating a certification process for "socially responsible companies." AccionRSE and PROhumana in Chile and comparable institutions in Colombia and Argentina have played similar roles.

While indigenous agents have been the key pivots of corporate social engagement diffusion, their efforts were significantly aided by external actors. In addition to conceptual support from the Prince of Wales Forum and the U.S.-based Business for Social Responsibility, important financial assistance has come from such donors as the Kellogg Foundation and the Inter-American Foundation. Kellogg, for example, supported virtually every key step in the development of corporate social engagement in Brazil. The IAF, long a funder of grassroots organizations, emerged in the mid-1990s as a significant promoter of corporate-NGO partnerships. Indeed, one close observer credits IAF as "the parent of the CSR phenomenon in Latin America."¹⁴

Professionalization

In addition to spreading, corporate social involvement in Latin America has been growing more professional.

Typical is the case of Argentina's Banco Galicia. A distinguished family-owned institution with a 100-year history of service to its customers and charitable support for the communities in which it operates, Banco Galicia had to change its personal style of philanthropy when Argentina's 2001 economic crisis induced many customers to flee to the safety of larger, multinational institutions. To woo them back, it built a new business strategy around the theme of growing the communities it serves and reformulated its social engagement strategy to reinforce this theme.

Banco Galicia's evolution from personalized charity to professionalized social engagement is typical of a process that is being repeated in board rooms throughout the region, with varying conviction and speed but with a striking degree of commonality. Inspiring this process has been the "MBA perspective," mentioned earlier, that corporate social engagement should be viewed as a component of overall business strategy and should be approached with the same discipline and focus as any other.

The dimensions

One manifestation of this thrust has been institutionalization, mostly through the formation of corporate foundations, which began in the 1980s and accelerated through the 1990s. Brazil's Grupo de Institutos, Fundações e Empresas [Group of Foundations and Corporations] (GIFE) was formed in 1995 to promote more systematic and professional philanthropy. By 1997, Colombia had 94 corporate foundations with assets of almost \$1 billion.¹⁵ Most Latin American foundations are, in fact, corporate foundations, financed by company contributions. This institutionalization has brought forth dedicated CSR staff. Research in Brazil, for example, revealed that as of 2005 the larger companies averaged five employees in social engagement operations, though many perform other functions as well, frequently in public relations.¹⁶ This development has, in turn, triggered a profusion of seminars, conferences, university courses and degree programs.

The drive toward professionalization has also involved an effort to rationalize and focus philanthropy and integrate it more coherently into broader business strategies. As part of an effort to brand itself as a "bank of value" delivering benefits not only to its stockholders but also to its customers and society, for example, ABN AMRO Real Bank in Brazil adopted environmental and social criteria that it expected its suppliers and borrowers to meet.¹⁷ Fundación YPF, created by the company that acquired Argentina's formerly state-owned petroleum company, zeroed in on promoting science education. Microsoft Colombia has emphasized "digital inclusion." And the new Colombian branch of the Avina Foundation undertook a year-long planning process before settling on its three social priorities: the protection of

IAF's partnership with Fundación Corona enabled recyclers in Bogota to organize. See the story on page 14.



America are much more vulnerable than corporations in the U.S.," one business leader explained. "Here public opposition is great." The need for a truly philanthropic dimension thus remains strong.

Reflecting these considerations, the drive to create corporate foundations is far from universal. In Argentina, for example, only 25 percent of larger corporations had foundations as of 2005. Only about half of these had policies identifying their areas of interest, and only 16 percent had published guidelines and application procedures. Even where foundations exist, their functions are often highly constrained. Few have true endowments and most are overseen

water—clearly related to its parent firm's cosmetics business—as well as the promotion of democracy and of grassroots economic development, two priorities judged crucial to the long-term viability of Colombia's entire business sector.

A third facet of the professionalization push has been an effort to involve employees in social engagement in order to boost their attachment to the firm while improving the company's image. Opportunities to volunteer have proliferated as have mechanisms for employee participation in charitable activities. Fundación YPF encourages employees to propose projects for funding. Microsoft Colombia involves members of its employees' families on the committees that manage its philanthropic initiatives. Banco Galicia outsources a significant part of its charitable program to a semi-autonomous NGO run by bank workers.

The limits

Despite significant progress in professionalizing corporate social engagement in Latin America, the MBA mantra has hardly been fully embraced. Many business leaders are reluctant to surrender control of a socially attractive and personally rewarding function. And there are continuing qualms about how an approach that emphasizes what is good for business will play to a skeptical public. "Corporations in Latin

by the company's chief executive officer or by vice presidents for community relations or marketing. The situation is similar in Brazil, despite a more advanced social engagement movement.¹⁸

Instead of forming foundations, many businesses have turned to other arrangements through which to pursue their social engagement goals. One has been the creation of company-sponsored nonprofit organizations, a distinctive feature of the Latin American corporate social engagement scene. Thus, Organización Corona, a Colombian manufacturer of home construction materials, created the Corporación Calidad and the Centro de Gestión Hospital in the 1990s to work on product quality and health care, respectively. Grupo Bimbo, which produces baked goods, founded the Mexican Foundation for Rural Development and, more recently, Reforestemos México. Such conduits testify to the creativity with which some companies have pursued social engagement, but also to their reluctance to work through either government or existing nonprofit organizations.

Similarly, the push to rationalize and focus business philanthropy remains far from complete. Even in Brazil, only about 40 percent of corporate foundations are estimated to have advanced to the "strategic" mode in their philanthropy, while another

5 percent are at least “in search of focus.” Elsewhere, progress has lagged as corporations have embraced activities only marginally related to business functions but necessary to ensure social peace.

Participation

Soon after its take-over by Royal Dutch Shell in 1993, HOCOL S.A. faced a protest in San Francisco, a small town south of Bogotá where the Colombian oil company had been drilling for a decade. Residents felt exploited and wanted more say in company operations. Royal Dutch responded by hiring a team of consultants to undertake a needs assessment. When the residents requested a cemetery, the consultants turned a deaf ear to them and proposed instead a package of educational improvements more compatible with HOCOL's business strategy. Residents pointed out, however, that no educational

improvement would be possible until the community achieved a degree of peace, which required a neutral place to bury the bodies that regularly appeared on the surrounding trails as a consequence of the violence raging between local guerrillas and right-wing militias. To its credit, HOCOL's new management team sided with the community, opening the door to a whole new approach to corporate social engagement.

The key is the active participation of community residents in the design of corporate social engagement activities. HOCOL, which “wrote the book” on this participatory approach, discovered that involving residents in decisions affecting their lives was the best protection against the violence that was constantly threatening the firm's operations. But HOCOL has not been alone in promoting this participatory model, nor is the threat of violence the only rationale for supporting it. Indeed, an entire school

RedEAmérica: From Network to “Nodos”

RedEAmérica, the Network of Corporate Foundations and Actions for Grassroots Development, is a business-sector alliance undertaking a grassroots approach to fighting poverty. Its premise: poor people have strategies for improving their lives through their own community organizations; the business sector is present in these communities throughout the hemisphere and has the resources to support these strategies.

In 2002, after more than a decade of co-funding grassroots development with corporate entities, the Inter-American Foundation launched the network in cooperation with 12 corporate-foundation members from six countries. It has since grown to include 57 members representing more than 360 companies in 12 countries. Some 30 members are or have been parties to bilateral agreements with the IAF to support the self-help efforts of grassroots groups. Initially, the terms of the agreements required the partners to match IAF funding. Now, they double the IAF's contribution and underwrite the costs of administration.

One result of the network's growth has been the development of “*nodos*” grouping RedEAmérica members by country. Argentina's *nodo* began to coalesce

when corporate foundations of Grupo Arcor and Juan Minetti S.A. were joined by those of Telefónica de Argentina, Acindar Industria Argentina de Aceros, Standard Bank and Shell CAPSA. All have since contributed to a fund to finance self-help projects. The *nodo's* executive committee manages the fund and developed criteria for selecting grantees.

At Fundación Telefónica's offices in Buenos Aires, director Carmen Grillo and program manager María Bibiana Ottones spoke to *Grassroots Development* about the Argentine *nodo*. “After the brutal economic crisis of 2001 and 2002, solidarity became very important so it's not surprising that the Argentine corporate foundations represented in RedEAmérica eventually moved toward forming a *nodo*,” said Grillo. “We work well together, and now we have accepted the challenge of bringing in other foundations.” Forming a *nodo* means building institutional relationships, defining strategies and adapting as members evolve—as well as reaching agreement on the concept of social inclusion. “While the problems are old, the idea of big corporations addressing them is new, and the corporations' viewpoint is changing as well,” Grillo added. “We discuss

of development strategy surfaced in the 1970s and 1980s emphasizing “assisted self-reliance” as the most effective path to poverty alleviation. This approach has been warmly endorsed by Colombia’s Fundación Social, a unique institution founded by Jesuit priests in the early 1900s that had evolved by the 1970s into a sprawling complex of social enterprises. Through its Integral Local Development Program, Fundación Social sought to engage the vulnerable margins of society in their own development, and to persuade other companies to follow suit.

A key actor in promoting this approach to corporate social engagement has been the Inter-American Foundation. With a long history of support for participatory development, IAF turned in the 1990s to building bridges between grassroots organizations and emerging corporate philanthropy programs. It co-sponsored the

grassroots development, community development and corporate social responsibility differently from the way we did five years ago, when we first began working with RedEAmérica.” Taking a program from theory to practice means another round of adjustments, Ottones explained, “And that results in growth and evolution.”

The Argentine *nodo* emphasizes development through education, explained Javier Rodríguez of Fundación Arcor. Members share a commitment to extending their reach into areas where their parent companies have not had a presence—a departure from the tradition of limiting social responsibility programs to the vicinity of company operations. The Argentine *nodo* unveiled its first project in July 2007 in the Justo J. de Urquiza Library in Rosario, a bustling river-port city.

IDB grant for RedEAmérica

Early this year, RedEAmérica received a grant of \$4.7 million from the Multilateral Investment Fund (MIF), an organism of the Inter-American Development Bank that supports grassroots projects directed at income-generation. Under the terms of its agreement with the MIF, RedEAmérica will match the funds awarded with \$3.3 million in resources donated to the network by the parent corporations of its member-foundations. Corporación Consorcio para el Desarrollo Comunitario, comprised of nine Colombian corporate foundations, will take the lead in coordinating the investment of the funds in grassroots development projects in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico and Peru. Of the 750 grassroots organizations expected to benefit, 80 will support small-scale, income-generating projects.—*Juanita Roca, IAF corporate programs representative*

Cartagena conference with Fundación Social, helped Fundación Corona create a development assistance fund, assisted Colombia’s Asociación de Fundaciones Petroleras [Association of Petroleum Foundations] in establishing a small-projects fund, and supported similar grassroots initiatives by candy producer Grupo Arcor and cement manufacturer Juan Minetti S.A. in Argentina. More recently, the IAF broadened these efforts by launching RedEAmérica, a network of corporate foundations dedicated to furthering grassroots development.

These and other diffusion agents, such as Colombia’s PRODEPAZ [Peace and Development Network], which serves as a kind of broker between excluded groups and the business community, and Brazil’s Instituto para o Desenvolvimento do

Investimento Social [Institute for the Development of Social

It is focused on structuring the free time of children and adolescents for maximum educational benefit. Carmen de Bueno, who belongs to one of the 12 participating community organizations, was in the crowd celebrating the occasion. “People in *villas de emergencia* in this part of town are very poor and want to improve their lives,” she said, referring to

the squatter settlements the project serves. “They need education in every sense.”

Ottones credits RedEAmérica with broadening the vision of the members of the Argentine *nodo*. “It brings together many countries and represents many groups,” she explained. “It’s a framework in which some corporations inspire others to action.” A complete list of RedEAmérica members can be found at www.iaf.gov.—*Darío Elías, IAF translations manager*

Investment] (IDIS), which offers technical assistance to CSR programs reaching out to communities, are helping create a corporate social engagement model that goes well beyond the “MBA paradigm,” and that holds considerable promise for this region, though it is far from clear how deeply it reaches or how broadly it extends.

Partnership

Participatory or not, corporate social engagement in Latin America faces a crucial dilemma: Few corporations acting alone can get real traction on social and economic problems on the scale that this region faces. To go beyond mere public relations exercises, corporations must therefore forge partnerships—with government, civil society and other corporations. While the rationale for partnerships is compelling, the practicalities are formidable, particularly for cross-sector partnerships where imbalances of resources, differences in organizational culture and misleading stereotypes make cooperation especially difficult.¹⁹

The record

By some measures, the collaboration record in Latin America is impressive, especially given the relative novelty of the CSR movement there. Research in Argentina, for example, reveals that by 2004, civil society organizations had become a main destination of corporate donations, and Brazil shows a similar trend. In Chile, one estimate puts at 50 percent the share of medium and large enterprises engaged in some kind of relationship with a nongovernmental organization.²⁰

Cooperation also appears to be growing among corporations. In Colombia, for example, more than 100 corporations have joined forces in an ambitious partnership called *Empresarios por la Educación* [Businesses for Education] (ExE) for a concerted attack on the inadequacy of the public schools. Recent studies have shown that a third of Argentine firms and 27 percent of Brazilian firms surveyed are involved in initiatives financed by multiple sponsors.²¹ Beyond formal collaborations, CSR staff interact extensively through seminars, conferences and other events.

However, appearances can be deceiving. Many seemingly joint undertakings are not true collaborations but projects that happen to receive funds from

multiple corporate sources. And corporate-nonprofit partnerships, while numerous, are generally not well-funded. In Argentina, for example, nonprofits accounted for 46 percent of the CSR initiatives supported by a sample of large corporate foundations, but they received only 25 percent of the companies’ CSR funds, a pattern also evident in Brazil.²² The Harvard-based Social Enterprise Knowledge Network thus found only a few truly integrative partnerships among the 24 business-NGO alliances it examined recently.²³

Even nonprofits with a considerable track record of corporate support, such as *Un Techo para Chile*, which mobilizes volunteers to build housing for the poor, or Colombia’s *Minuto de Dios*, founded by Father Rafael García Herrera, a charismatic Catholic priest, find corporate support ad hoc and sporadic. Indeed, the few enduring partnerships tend to be with organizations that the corporations have created, such as the *Corporación de Crédito al Menor*, established by Chile’s *Banco de Crédito* to serve disadvantaged children, or *Prodencia*, created by Colombia’s *Organización Corona* to further education.²⁴

The obstacles

What is impeding the development of corporate-civil society partnerships? A number of factors seem to be at work. First, business and civil society have long been at odds politically in Latin America, more so, perhaps, than elsewhere. “Social organizations have been on the left, while business was on the right,” one observer explained. Also at work has been a deep cultural divide. Businesses question the competence of civil society organizations while civil society leaders question the motives of business leaders. A third factor has been the business community’s faith in its own capabilities. Indeed, a “cult of the *empresa*,” or business firm, has emerged, holding that only business can save Latin American society from impending chaos.²⁵ While this conviction stimulates extraordinary efforts by the business sector, such as the ExE initiative in Colombia and the flurry of company-sponsored nonprofits, it also limits corporate enthusiasm for true cross-sector collaboration.

Additionally, the undeveloped nature of the “collaboration marketplace,” the meeting ground between corporate and nonprofit leaders, a problem everywhere, is magnified in Latin America due to sharp class divisions. Opportunities for interaction

that would build trust between business and non-profit leaders are few and far between, creating a kind of caste system within the nonprofit sector. “There are different ‘leagues’ in Brazil’s third sector—first, second, third, just like in Brazilian football,” noted one observer. “Only the first league gets any attention and the chance to forge alliances with businesses.” To break into this league, organizations need a sponsor, a role often played by popular priests or the wives of prominent businessmen, and this inevitably leaves many worthy organizations on the sidelines without a partner.²⁶

Finally, the emergence of foundations established by political leaders, or more commonly their spouses, further complicates the partnership landscape. Vamos México, founded by Mrs. Vicente Fox, and Comunidad Solidaria, founded by Mrs. Fernando Henrique Cardoso in Brazil, are examples. Such institutions siphon off precious resources that existing civil society organizations desperately need. Yet few corporations can resist the wife of a head of state when she comes looking for a corporate partner for “her” foundation.

If few collaborations have moved much beyond the “philanthropic” stage, true partnerships are emerging, however haltingly and unevenly. Among the successes are, in Mexico, Fundación Televisa’s cooperation with the nonprofit UNITEC on a network of media labs to promote reading; in Brazil, Phillip Morris Company’s engagement of Instituto Qualidade no Ensino to manage a package of educational improvements in three cities; in Colombia, Microsoft’s computer literacy laboratories equipped and operated in cooperation with several nonprofits and computer hardware producers; and in Argentina, Fundación Telefónica’s support for Fundación del Viso, a community development organization on the outskirts of Buenos Aires. All give hope that the historic gulf between corporations and the nonprofit sector in Latin America is beginning to be bridged.

Penetration

Finally, an even more dramatic face of corporate social engagement has recently surfaced in Latin America. “Corporations are not talking about corporate social responsibility anymore,” notes one insider.

“Now they’re talking about corporate ‘sustainability’.”²⁷ The change in wording is intended to signal a new orientation focused less on what corporations do externally to address societal challenges than on what they do internally, through their core business operations.

This penetration of CSR considerations into business functions takes different forms. Perhaps the most basic is the growing emphasis on *employee engagement* in the corporation’s social mission through volunteer and matching-gift programs and expanded efforts to recruit disadvantaged workers. A second form has been the incorporation of socially or environmentally responsible considerations into *corporate production processes*. This has been nudged along by consensus standards for business performance, such as Instituto Ethos’ elaborate CSR reporting system, or the quality standards formulated by the International Standardization Organization (ISO), the Global Reporting Initiative and the Forest Stewardship Council, among others.²⁸

Adherence to such standards has become a basis for product differentiation in an increasingly competitive globalized marketplace, especially given the attention they receive from the media egged on by CSR diffusion agents. As mentioned earlier, Brazil’s ABN AMRO Real Bank used social and environmental criteria in its loan approval process to distinguish itself as a “bank of value,” prompting competitors to follow suit.²⁹ In Chile, Swiss millionaire Stephan Schmidtheiny’s Grupo Nuevo claimed a similar competitive advantage by making its new subsidiary, Masisa, the first Latin American furniture manufacturer to comply with the Forest Stewardship Council’s logging standards and the European Union’s standards for handling the formaldehyde used in furniture production. “Social responsibility is not a project for us,” explained Masisa’s social responsibility officer. “It’s how we do business.”³⁰ Other firms that have altered production processes to incorporate social or environmental values include Brazil’s Klabin, a major manufacturer of cardboard boxes; Mexico’s Grupo Modelo, a beer producer; and Argentina’s Banco Galicia, referenced above.³¹

Social engagement also penetrates business practices through *supply chain management*. Wal-Mart

Bringing the Grassroots into the Supply Chain

When environmental activists needed transportation to shuttle among the sites of the Rio 92 Conference on Sustainable Development, they decided that their “greenest” option would be natural-gas-powered buses manufactured by Mercedes-Benz do Brasil, the Brazilian subsidiary of DaimlerChrysler, at the time Daimler-Benz. Mercedes-Benz obliged with 50 vehicles.

That act of corporate generosity led company executive Joachim Zahn to Pobreza e Meio Ambiente na Amazônia [Programa Poverty and the Environment in Amazonia] (POEMA), a research and development initiative headquartered at the Federal University of Pará in the Brazilian Amazon, 3,000 kilometers from the manufacturer’s corporate headquarters in São Paulo. As its name suggests, POEMA’s mission is to combat poverty through the sound use of natural resources. Its coordinator Thomas Mitschein, a German citizen, and his Brazilian wife Nazaré, both associated with the university, were then advancing research to determine whether coconut fiber could be used in automobile parts. Zahn quickly became a major advocate and convinced Mercedes Benz do Brasil to award POEMA \$1.5 million that would take the work forward. POEMA researchers eventually discovered that coconut husks, which were usually tossed once the water and white flesh were extracted, could be processed into material to upholster vehicle interiors.

This led to a pilot project that brought into the partnership 400 farmers who had never produced coconuts on an industrial scale. POEMAR, POEMA’s nonprofit arm, taught them practices that quadrupled their yield and helped them adjust to production deadlines. Working with Mercedes-Benz, POEMatec, POEMA’s for-profit subsidiary, developed the 80,000-ton-capacity plant that opened in March 2001. Fully biodegradable material made from natural latex and coconut fiber provided by four cooperatives, representing 700 families of rubber

tappers and coconut farmers, has now replaced petroleum-based synthetics in seat cushions, head restraints, sun visors and side panels used in cars, trucks and buses produced by Mercedes-Benz under the DaimlerChrysler umbrella and by other manufacturers. It is also used in POEMatec’s new product lines of gardening pots and mattresses.





Paulo de VC. Melo Júnior

POEMAtec's plant processes coconut fiber and manufactures interior parts for vehicles.

A 2000 IAF grant helped POEMA develop skills and techniques in processing fish and fruit-pulp products, which were later applied to coconut fiber. The IAF is currently supporting POEMA's new venture, Associação Amazon Paper (AP), launched in 2002 and legally constituted in 2006. AP's artisans use recyclables and abundantly available leaves and flowers indigenous to the Amazon region to produce high-quality paper that is free of chemicals and synthetic additives. With IAF funding to be matched by Banco do Brasil Foundation, the Japan International Cooperation Agency and Novib-Oxfam Netherlands, AP will bring five grassroots organizations into its supply chain. These farmers and craftsmen will provide the plants used for fiber and dye, fashion value-added components or finish the paper products—and show POEMA whether its model can be replicated in a much smaller, more labor-intensive enterprise.—*Judith Morrison, IAF regional director for South America and the Caribbean*

Brazil offers an intriguing example. The company was expanding rapidly but could not apply its mass-marketing model because Brazil lacked the supply and distribution network to generate the required quantities of standardized products and get them quickly and cheaply to mass distribution points. The solution was a “regionalization strategy” designed to develop a corps of local suppliers producing responsibly and to Wal-Mart standards in each Brazilian region. This has involved training Wal-Mart employees in supply-chain management; the creation of “producer's clubs” to recruit marginal producers and transform them into effective suppliers of quality products; the development and enforcement of environmental and social standards; and the creation of an office giving Brazilian suppliers access to Wal-Mart outlets internationally. The result has opened significant economic opportunities to disadvantaged Brazilians while solving Wal-Mart Brazil's central business challenge.³²

This use of supply-chain management to promote social and environmental objectives is also evident in other Latin American companies. Grupo Arcor, the Argentine candy manufacturer, screens suppliers for practices ranging from child labor to environmental impact. Alpina Productos Alimenticios, a Colombian dairy-products company with operations in Venezuela and Nicaragua, works closely with its 400-plus farmers to help them operate effectively and in an environmentally responsible manner. And both ABN AMRO Real Bank and Banco Galicia have imposed social and environmental expectations on their suppliers as well.³³

Finally, and perhaps most creatively, social engagement principles are penetrating business operations through *specialized product development*. An example is the Brazilian cosmetics firm Natura whose Ekos line using natural substances available only in Brazil's rainforests has advanced the cause of biodiversity while providing a source of income to indigenous Amazon communities. The corporate foundation of O Boticário, also a Brazilian cosmetics manufacturer, has helped another community develop a basket-weaving business using local plants, and then began purchasing the baskets for use in its retail outlets.³⁴



Paulo de VC. Melo Júnior

Craftspeople residing outside a nature reserve maintained by O Boticário's foundation supply shopping baskets to the Brazilian cosmetic manufacturer's franchises.

Conclusion

Barely more than a dozen years after the Cartagena Conference that helped disseminate the concept of CSR and corporate-civil society cooperation in Latin America, the corporate social engagement movement is flourishing in the region. Although it is far from fully institutionalized, and still displays a good deal of public-relations fluff, the movement shows significant signs of a sincere commitment and a distinctive Latin flavor. Many Latin American firms have advanced up the corporate social engagement pyramid. There is convincing evidence of *proliferation* and *professionalization* and approaches that move beyond paternalism to engage the *participation* of communities. The region's businesses have not yet fully embraced *partnership* with civil society or each other, but there are promising developments. Finally, there are powerful and varied examples of *penetration* of social engagement into core business operations.

Is the advance genuine? Will it last? There seems enough substance to justify meaningful, if cautious, optimism and continued, carefully focused support.

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¹ Guilherme Peirão Leal, co-president, Natura, Presentation, Inter-American Conference on Corporate Social Responsibility, Salvador, Dec. 10, 2006; Francisco Aylwin Oyarzún, Fundación Telefónica-Chile, interview, Santiago, May 2, 2006.

² Vives, Antonio and Estrella Peinado-Vara, *Corporate Social Responsibility: Deeds Not Words* (Proceedings, Inter-American Conference on Corporate Social Responsibility, Mexico City, Sept. 26-28, 2004), (Washington: Inter-American Development Bank, 2004), p. 1.

³ This report was commissioned by the Inter-American Foundation, which put no constraints on its content and made no attempt to influence the findings. I am indebted to David Valenzuela, Patrick Breslin, Paula Durbin and Mark Caicedo of the IAF for their support and their confidence in my objectivity; to Marcos Kisil in Brazil, Gabriel Berger in Argentina, Roberto Gutiérrez in Colombia, Ignacio Irarrázaval in Chile, and Klaus German-Pindher in Mexico for their help in gathering and interpreting data and arranging field visits; and to Billy Brown, Alice Lariu, and Jens Prinzhorn for research assistance. Responsibility for the views and interpretations presented here is mine alone, however.

⁴ Vives and Peinado-Vara, *Corporate Social Responsibility as a Tool for Competitiveness* (Proceedings, Inter-American Conference for Corporate Social Responsibility, Panama City,

Oct. 26-28, 2003) (Washington: Inter-American Development Bank, 2003), pp. 10-11.

⁵ For fuller statements, see, e.g., Vives and Peinado-Vara; Levy, Reynold, *Give and Take: A Candid Account of Corporate Philanthropy* (Cambridge: Harvard Business School Press, 1999); Porter, Michael E. and Mark R. Kramer, "The Competitive Advantage of Corporate Philanthropy," *Harvard Business Review* (December 2002), pp. 5-16, and "Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility," *Harvard Business Review* (December 2006), pp. 78-93; Smith, Craig, "The New Corporate Philanthropy," *Harvard Business Review* (May 1994); Roitter, Mario M. and M. Camerlo, "Corporate Social Action in a Context of Crisis: Reflections on the Argentine Case," *Philanthropy and Social Change in Latin America*, Sanborn, Cynthia and Felipe Portocarrero, eds. (Cambridge: Harvard University, 2005), pp. 223-251.

⁶ Sanborn, and Portocarrero, p. xi.

⁷ The U.S. figure is computed from *Giving USA 2005* (Indianapolis Giving USA: Foundation, 2005).

⁸ Oded Grajew, interview, Salvador, Dec. 12, 2006; Ricardo Young, interview, São Paulo, Dec. 14, 2006.

⁹ Berger, Gabriel, *Encuesta de responsabilidad social empresarial en Argentina—año 2005* (Buenos Aires: UDESA/Gallup, 2005).

¹⁰ See, e.g., Armijo, Leslie Elliott and Philippe Faucher, "'We Have a Consensus': Explaining Political Support for Market Reforms in Latin America," *Latin American Politics and Society*, 44:2 (2002) pp. 1-41; Bartell, Ernest and Leigh A. Payne, eds. *Business and Democracy in Latin America* (Pittsburgh: University of Pittsburgh Press, 1995); Agosin, Manuel R. and Ernesto Pasten, "Corporate Governance in Chile," discussed at the Policy Dialogue Meeting on Corporate Governance in Developing Countries and Emerging Economies, Organization of Economic Co-operation and Development (OECD), Paris, April 23-24, 2001 (www.oecd.org); Coutinho, Rabelo, *Corporate Governance in Brazil*. (Paris: OECD, 2001), p. 20; Giugale, Marcelo M., Olivier Lafourcade, and Connie Luff, *Colombia: The Economic Foundation of Peace* (Washington: The World Bank, 2003); Garsfield, Elsie and Jairo Arboleda, "Violence, Sustainable Peace, and Development," Giugale et. al., *supra*, pp. 35-41; Silva, Eduardo, *The State and Capital in Chile: Business Elites, Technocrats, and Market Economics* (Boulder: Westview Press, 1996); Instituto Ethos, "Responsabilidade social das empresas: Percepção do consumidor brasileiro" (Sao Paulo, 2002), p. 15 (www.ethos.org.br).

¹¹ Wendy Arenas-Wrightman, executive director, Avina Foundation, interview, Bogotá, Nov. 9, 2006; Oded Grajew, *supra*.

¹² Dagnino, Evelina. "Os movimentos sociais e a emergência de uma nova cidadania," *Anos 90: Política e Sociedade no Brasil* (São Paulo: Brasiliense, 1994).

¹³ Roitter and Camerlo, p. 226; Chudnovsky, Daniel, Bernardo Kosacoff and Andres Lopez. *Las multinacionales latinoamericanas: sus estrategias en un mundo globalizado*. (Buenos Aires: Fondo de Cultura Económica, 1999), pp. 18, 29.

¹⁴ Francisco Aylwin Oyarzún, *supra*.

¹⁵ Rojas, Cristina and Gustavo Morales, "Private Contributions to the Public Sphere," in Sanborn and Portocarrero, p. 168.

¹⁶ Instituto de Pesquisa Econômica Aplicada, *A iniciativa privada e o espírito público: A evolução da ação social das empresas*

privadas no Brasil (Brasília: IPEA, 2006).

¹⁷ Maria Luiza de Oliveira Pinto, ABN AMRO, interview, São Paulo, Dec. 13, 2006; Kanter, Rosabeth Moss and Richard Reisen de Pinto, ABN-AMRO REAL: Banking on Sustainability (Cambridge: Harvard Business School, October 2005).

¹⁸ Berger; Roitter and Camerlo.

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²⁰ Berger; IPEA.

²¹ Berger; IPEA.

²² Balian de Tagtachian, Beatriz, *Responsabilidad social empresarial: un estudio empirico de 147 empresas*, Serie F:1, (Buenos Aires: Universidad Católica Argentina, 2004), p. 15.

²³ Austin et. al.

²⁴ Fischer, Rosa Maria, "Intersectoral Alliances and the Reduction of Social Exclusion," in Sanborn and Portocarrero, p. 150; Austin et. al. Interviews: Sergio Mindlin, Fundación Telefónica, São Paulo, Dec. 13 2007; Alvaro Trespalcacios Peñas, Bogotá, Nov. 9, 2006; Camilo Bernal Hadad, Bogotá, Nov. 10, 2006; Francisco Aylwin Oyarzún, *supra*; Susana Rojas González de Castilla, Mexico City, Oct. 21, 2005.

²⁵ Felipe Agüero refers to this phenomenon as the "normative idea of the *empresa*" in "Promotion of Corporate Social Responsibility in Latin America," in Sanborn and Portocarrero, p. 125.

²⁶ Ciro Fleury, interview, São Paulo, Dec. 15, 2006.

²⁷ Ciro Fleury, *supra*.

²⁸ On the ISO standards, see http://www.iso.org/iso/about/discover-iso_meet-iso, accessed Nov. 20, 2007; on the Global Reporting Initiative, see <http://www.globalreporting.org>.

²⁹ Maria Luiza de Oliveira Pinto, *supra*; Kanter and Reisen.

³⁰ Interviews: María Emilia Correa, Masisa, Santiago, June 5, 2007; Ximena Abogabir, Casa de la Paz, Santiago, June 5, 2007. Grupo Nuevo *Annual Report*, 2007.

³¹ Interviews: Wilberto Luiz Lima, São Paulo Dec. 15, 2006, and June 10, 2007; Jorge Siegrist Prado, Mexico City, May 9, 2005; Maria Luiza de Oliveira Pinto, *supra*; Constanza Gorleri, Buenos Aires, May 10, 2007; Claudio Giomi, Fundación Arcor, Buenos Aires, May 10, 2007; Maria del Pilar Bolívar García, Alpina, Bogotá, Nov. 8, 2006. *Relatório de Sustentabilidade* (São Paulo: Klabin, 2006).

³² Daniela de Fiori, Instituto Wal-Mart, interview, São Paulo, June 13, 2007; Wilson Mello Neto, vice president for corporate affairs, Wal-Mart Brazil, presentation, *Inter-American Conference on Corporate Social Responsibility*, *supra*.

³³ Interviews: Maria Luiza de Oliveira Pinto, *supra*; Constanza Gorleri, Buenos Aires, May 10, 2007; Claudio Giomi, Fundación Arcor, Buenos Aires, May 10, 2007; Maria del Pilar Bolívar García, Alpina, Bogotá, Nov. 8, 2006.

³⁴ Austin et. al., p. 3.

Ph15 on View

For six weeks in April and May, photos by students from IAF 2006 grantee Fundación ph15 para las Artes were on display in the National Library in Buenos Aires, amazing visitors with the technique reflected and the moments captured.

The young photographers, who hailed from the marginalized barrios known as Ciudad Oculta and La Cava, had honed their skills in classes taught by the staff of ph15, which uses art to further social inclusion. "This exhibit was chosen because of the value of ph15's work but also, and especially, because of the quality of the children's photos," explained Cristina Fraire of the National Library, who had extended the invitation to exhibit in the prestigious institution once headed by Jorge Luis Borges, Argentina's greatest writer.

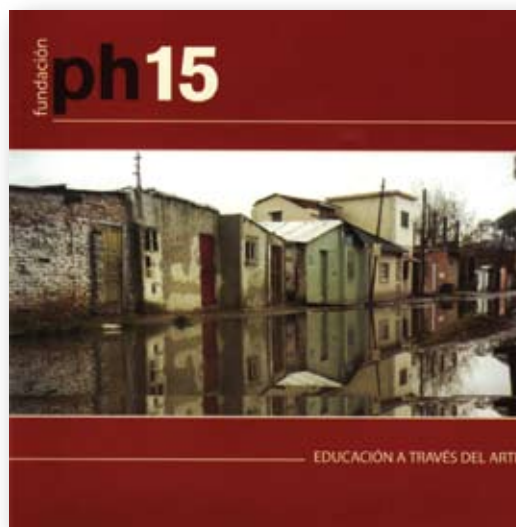
Her opinion was shared by others who viewed the display, among them Thomas A. Shannon, assistant secretary of state for Western Hemisphere affairs and a member of the IAF board of directors, who stopped by on April 10. "I'm very impressed with the artwork of these young people, which shows very important aspects of daily life and their ability to observe and understand reality. Seeing this work

Courtesy ph15



Thomas A. Shannon, assistant secretary of state for Western Hemisphere affairs and a member of the IAF board of directors, at the ph15 exhibit.

Exhibit brochure.



inspires a lot of confidence in Argentine youth and in their future," said Shannon, according to a report on April 14 in *Portal de Noticias del Mercosur*, an online news source (www.mercosurnoticias.com). He was accompanied by the U.S. ambassador to Argentina, Earl Anthony Wayne.

Ph15 students learn to express themselves using film and digital cameras. Selections from their repertoire have already been widely exhibited. But, said Miriam Priotti, ph15 director, this showcase was special. "The National Library," she explained, "is a space with great resonance, but most of all it is a special space for the children because it's inaccessible in their daily lives. Many of them didn't even know where the entrance was. And it represents a unique opportunity to connect with people who live in other parts of the city."

The students approach each exhibit by reaching a consensus on which works to use, and they are responsible for framing and hanging them. According to Priotti, the exhibit at the National Library took three months to prepare and 40 children participated, selecting and mounting photos by advanced and beginning students. "It's very special to be able to come here," said photographer Camila Yamla, clarifying that the photos are larger than usual and are seen by a bigger audience. "When I got into the elevator to go to the showing, I met someone who was coming to see it and congratulated me."—*Gabriela Sbarra and Marina Saieva, IAF liaison contractors for Argentina, Uruguay and Paraguay*



Mark Calcedo

Emberá Eco-Tourism

Asociación para el Fomento del Turismo (AFOTUR), a 2003 IAF grantee, has been working with three indigenous Emberá communities in Panama's Rio Chagres National Park to develop eco-tourism experiences that let visitors appreciate local traditions and the spectacular surroundings by getting as close as they can.

Located between Panama City and Colón, the park is a key watershed supplying both the capital and the Panama Canal. Much about the area bears out Panama's claim to being a crossroads where the world's cultures meet. Vasco Nuñez Balboa, the Spanish explorer, trekked through its wilderness to "discover" the Pacific Ocean. The Emberá people have lived in forests on the Río Chagres for centuries. In 2007, the Discovery Channel aired its 2007 program "Man vs. Wild" that introduced viewers to the residents of the community of Parara Puru and the remarkable survival skills they deploy in remote reaches of the park.

The AFOTUR-Emberá collaboration has been successful in attracting tourists eager to venture off the beaten path, confirmed the June-July 2007 issue of *Nexos*, American Airlines' Spanish-language in-flight magazine. "Retorno al Edén" [Return to Eden], a box in the feature on Panama, described the array of activities included in a day-trip to a village: transport with Emberá guides via *cayuco*, or dugout canoe,

a welcome sung to drum-and-flute accompaniment, lunch featuring tilapia caught and cooked local-style, a home visit, a display of enigmatic circle dances, lessons on crops and natural medicines, and exposure to the Emberá's extraordinary baskets. Sources tell *Grassroots Development* that for visitors who want an arm decorated, tattoo sessions are also available; using fruit juice, artists paint a symmetrical design that lasts up to 10 days. All of this unfolds, says the article, in a culture far from any modern conveniences, such as electricity, a culture that is "at harmony with nature and with itself."—John Reed, IAF representative, and Eduardo Rodríguez-Frías, operations assistant



Tilapia Enterprise

The online daily *elsalvador.com* reported on March 5 that farmers on Lake Ilopango had begun operating a tilapia fingerling “factory” consisting of six new fish tanks built with support from 2002 IAF grantee Asociación Cooperativa de Ahorro, Crédito y Agrícola Comunal de Paraíso de Osorio (COPAEDO). The farmers, who are organized in four cooperatives of 15 members each, take turns on the tanks as the fingerlings mature and then market them to fish farms. At the IAF’s request, COPAEDO stepped in to work with the fishing cooperatives in 2006, when Agencia de Desarrollo Micro-Regional de los Municipios de Ilopango, Soyapango, y San Martín (ADEMISS), a 2001 grantee that had originally proposed to develop fish farming on the lake, could no longer continue activities due to internal difficulties. The efforts of COPAEDO and the fishing cooperatives have paid off. Fish farmers have acquired technical and administrative skills, have improved production and have increased their income.



Courtesy COPAEDO

Afro-Paraguayan Census

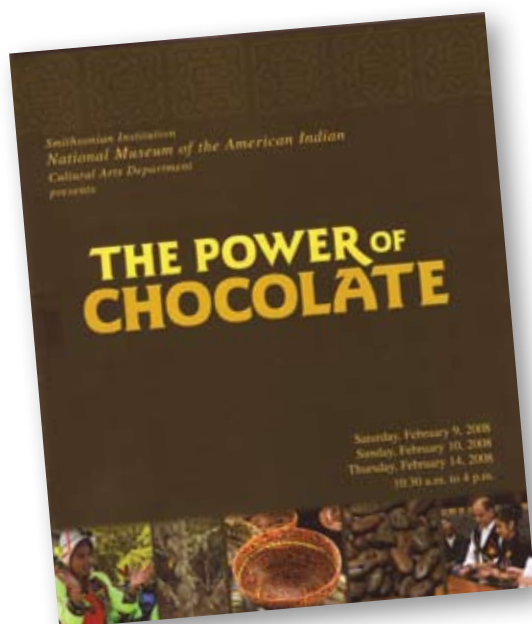
José Carlos Medina, of IAF grantee la Asociación Afro Paraguaya Kamba Kua (AAPKC), and sociologist Carlos Benítez announced the findings of a survey of Afro-Paraguayans undertaken with support from the IAF, Organizaciones Mundo Afro of Uruguay and the Paraguayan government’s statistics agency. (See *Grassroots Development* 2007.)

As reported in December in *ABC Digital*, an online daily, the survey revealed that Afro-Paraguayans number 7,637. Nearly 53 percent are bilingual in Spanish and Guaraní, 37 percent speak only Guaraní and 7 percent speak only Spanish. Slightly more than half (54 percent) of Afro-Paraguayans are economically active, 36.45 percent as laborers or artisans, many of whom work in the quarry in Emboscada, several hours by car from Asunción. The illiteracy rate among Afro-Paraguayans is 7.4 percent, but 58 percent of those who cannot read are women.

Medina clarified that the purpose of the survey was to give Afro-Paraguayans more visibility and to inform public policies aimed at improving conditions in their communities.

Cochabamba Weavers

On Nov. 18, 2007, *Los Tiempos*, Cochabamba’s most important daily, reported on the 400 women weavers of IAF grantee Asociación de Artesanos Andinos (AAA). They are reviving techniques that were all but lost, improving and diversifying their production, and expanding their market, including through their access to AAA’s store in downtown Cochabamba. Women interviewed reported increased income through sales of their hand-made wool blankets, purses, bags, sweaters and ponchos, all dyed with traditional natural pigments. “The main benefit to these weavers is ‘empowerment’ not only at the family economic level, but also as they become aware of their rights as women and as entrepreneurs,” the article concluded.—*Eduardo Rodríguez-Frías*,



Paula Durbin

Mario Choque Quisbert, left, with NMAI interpreter and museum visitors Lewis and Dana Waterman.



Chocolate at the NMAI

The Smithsonian Institution's National Museum of the American Indian in Washington, D.C., marked Valentine's Day with a celebration of chocolate and its Native American origins. At the heart of the Feb. 9-14 exhibit "The Power of Chocolate" was former IAF grantee El Ceibo, a federation of 40 cooperatives comprising 1,000 farmers in Bolivia's Alto Beni, the tropical Amazonian region where some of the world's finest cacao is grown. The Smithsonian had previously showcased the accomplishments of El Ceibo's farmers at the Festival of American Folk Life in 1994 and in 2005.

The NMAI's Valentine's Day program exploring the history and culture of the world's favorite craving chronicled El Ceibo's development from a few farmers' chance encounter into Bolivia's most important exporter of cacao beans and chocolate products. Panels of photos and texts on display in the cavernous Potomac Room, at the museum's main entrance, explained the group's structure, production technology and training for farmers. Maps showed the location of the Alto Beni, plotted the cacao's route through the jungle and up the slopes of the Andes to El Ceibo's industrial plant in La Paz, and indicated

purchasers in Europe, Japan and the United States. Meanwhile, stocks of El Ceibo treats flew off the shelves in the museum's café and gift shop.

Four indigenous Aymara representing El Ceibo took turns interacting with visitors to the NMAI, thanks to IAF travel grants. None spoke English, but they nevertheless communicated the steps in the process from tree to bean to bar—through NMAI's bilingual staff and through tangible references, such as the deliciously aromatic seeds and cacao pods they had brought with them. "We demonstrated how a farmer organization works," said El Ceibo's current president Mario Choque Quisbert on the closing day. "The people of Washington were impressed with our organic structure, our responsibility for the environment, our exchanges with similar groups. They welcomed us, congratulated us and encouraged us. We are deeply grateful for this invitation and we hope to return."

The event, plugged in *The Washington Post*, also featured the chocolate wizardry of museum executive chef Richard Hetzler, whose culinary jurisdiction extends beyond the NMAI to all dining facilities and snack bars in the Smithsonian system as well as

the restaurants in the U.S. House of Representatives. The Valentine's Day event ended on a sweet finish promising a long-term relationship between El Ceibo and the Smithsonian. Before the Bolivians left for home, Hetzler approached them about the possibility of supplying El Ceibo's chocolate products to the NMAI's Mitsitam Native Foods Café which provides a dining experience developed from indigenous sources throughout the Americas. "When we founded El Ceibo in 1977, we knew we wanted to export our own products but we never imagined it would be to a museum," commented founding member Santiago Limachi Cerezo.

Racial Equality Meeting

"Somos diversos pero no somos desiguales" said President Rafael Correa of Ecuador, quoting Antonio Preciado, his former minister of culture and a tireless advocate of minority rights, at the opening of the Third Consultation of Latin American and Caribbean Entities Working toward Racial Equality held Jan. 21 and 22 in Quito. Correa acknowledged challenges while stressing the need to combat discrimination against African descendants, indigenous peoples and women, so that individuals are judged on their ability, not on their ethnicity or gender. The address was reminiscent of the dream expressed in the words of Martin Luther King, Jr., that his children would be judged on their character and not their color. The event, in fact, coincided with the U.S. celebration of the birthday of the Nobel laureate.

The 50 participants in the conference also heard government officials and others report on conditions in Bolivia, Brazil, Chile, Colombia, Ecuador, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela. Among them were Jesús García, currently a vice president of Venezuela's Presidential Commission against Racism and formerly executive director of IAF 2005 grantee Fundación Agencia de Desarrollo Planificado (PLANDES); Romero Rodríguez, a founding member of former IAF grantee Organizaciones Mundo Afro appointed as an advisor to President Tabaré Vázquez of Uruguay; and José Chala, executive

director of the NGOs Centro de Investigaciones Familia Negra (CIFANE), an IAF grantee, and Corporación de Desarrollo de los Afrodescendientes (CODAE). Several United Nations agencies, the Inter-American Development Bank, the municipality of Quito, the IAF and the media were also represented at the conference. Delegations from 11 countries represented prepared a report acknowledging the support of government, international bodies and civil society organizations and outlining a plan for action.



For more information, contact María Alexandra Ocles, member of the Constituent Assembly for Pichincha and director of Ecuador's Oficina Regional de Análisis para la Promoción de la Equidad Racial (ORAPER), at niaazul22@hotmail.com.—Linda Borst Kolko, vice president, IAF Office of Operations

More CEPTS for Argentina

Between 1991 and 2001, population declined 17 percent in rural Buenos Aires province. Even before this dismal statistic was recorded, residents had registered alarm at the mass migration of jobless youths from the country to the squalid slums of the capital city, where opportunities were no better. A group in the small community of General Belgrano decided to try to offer an alternative: the Educational Center for Total Production, or CEPT, a boarding school, patterned on a French model, designed to prepare young people for remunerative careers in agriculture while allowing them time to help



CEPT teacher Roberto Marsilio with a CEPT parent in General Belgrano.

their families with farming, cheese-making, beekeeping or other livelihoods common to the area.

Since the first CEPT opened in 1989, 20 others have sprung up on the pampa under the same umbrella organization, Federación de Asociaciones Centros Educativos para la Producción Total, or FACEPT. Some 1,700 students are currently enrolled in CEPT secondary schools, and 8,000 families have participated in CEPT development projects ranging from honey production to artificial insemination of cattle. In 2003, FACEPT began offering a program to help adults complete their secondary education.

Now the Argentine Ministry of Education has announced plans to fund 40 additional CEPTs outside Buenos Aires as provided for under Argentina's new Law for National Education which makes secondary education obligatory beginning in 2010 and requires rural secondary schools to tailor the curriculum to the communities they serve. The new law emphasizes programs offering work arrangements, apprenticeships and formal relationships with the public and private sector—all features of the CEPT. The FACEPT program has provided a model for other programs as well, along with training and other assistance. Argentina's 2004 Law for Small Localities commits government resources to communities with fewer than 2,000 residents. Borrowing the CEPT structure, rural "Councils for Local Development" meet to define the needs of the community and develop projects to address them. In 2005, Buenos Aires province launched the pilot program Plan Volver to offer urban heads of house-

holds land and employment opportunities in rural areas. This program's objective is to revitalize the rural economy and reduce pressure on urban centers.

The IAF supported FACEPT with funding awarded between 1995 and 2005. An external evaluation of the project found that the academic program has successfully stemmed migration and the council concept has provided rural Argentines with a mechanism to access community resources and shape their future.

—Elizabeth Yates, former IAF intern

Microcredit Evaluation

During 2007, the Getúlio Vargas Foundation (GVF), under contract to the IAF, undertook an evaluation of 11 projects in Mexico, Nicaragua and Peru to help the IAF define its support of microfinance programs in a manner consistent with its mission and approach.

FGV presented the preliminary findings of the evaluation to IAF staff in November. Its overall assertion was that access to credit does not create opportunities; it allows individuals and institutions to take advantage of those that already exist. Most surprisingly, FGV's findings challenged the myth that regulatory framework and macro-economic conditions determine the performance of credit-related organizations. Instead, FGV researchers discovered that institutions operating in the same regulatory environment yielded different results; similarities in performance were found among institutions whose environment differed.

Features common to successful programs included transparency, a clear vision and focus on the part of the grantee, a division of labor in which the credit operations are distinct from other activities, an institutional commitment to good practices with regard to interest rates and repayment, the ability to address ineffective strategies, and the flexibility to adapt. In addition, all the programs evaluated recognized and built on the credit-worthiness of women. The evaluation confirmed that the willingness to borrow is determined by access to collateral, that the inclination to repay a loan should not be underestimated, and that there is no "best" credit model. Effective programs are characterized by a

diversified loan portfolio and services that help borrowers become more efficient in accessing markets and using resources.

Microcredit programs face the same challenges as good projects in general: poor infrastructure as well as their beneficiaries' aversion to risk, resistance to new technologies, restricted access to the most productive land, and general lack of materials, machinery and other assets that could be used as collateral. Information was insufficient for FGV to track the use and results of credit extended by the 11 grantees. As a result, the researchers could not determine if these microloans enabled beneficiaries to overcome the challenges mentioned.

FGV recommended that the IAF continue to provide support that allows grantees to improve their management, lower their loan monitoring costs, and improve their credit technology. Finally, FGV stressed the importance of continuing to encourage an active role by beneficiaries in the projects, training and technical assistance for them, and their participation in the productive chain. The full report can be accessed at www.fgv.br/cps.—*Miriam Brandão, IAF representative for Brazil; Marcy Kelley, IAF representative for Mexico*

Projects in Southern Mexico

As the population and economies of developing countries continue to grow, pressures on ecological systems that provide key environmental services such as filtering water, cleansing the air, and stabilizing soils and preventing erosion are increasing. Protecting the health of these life support systems has become more and more important to residents of rural communities who depend so directly on the health of natural systems. As environmental systems become increasingly threatened, rural communities bear much of the brunt of these impacts and are becoming more and more motivated to take action to protect and restore local ecosystems so they can perform their vital environmental services.

A healthy environment is a precondition for reducing poverty. Environmental decline hits those who are most directly dependent on local ecosystems the hardest. Their struggle to survive often puts them

in a terrible bind of trying to increase food production and meet fuel needs in ways that are not environmentally sustainable. Short-run pressures make it more and more difficult to meet long-term needs. The idea of environmentally sustainable development enjoys near universal support in the abstract, but actually developing sustainable practices is difficult.

IAF grantees in Southern Mexico are developing innovative programs aimed at generating local, place-based knowledge about the nature of environmental threats and effective ways to reduce those threats. Grantees are engaged in research efforts designed by community leaders and local experts to help farmers to find ways to reduce erosion, protect soil health, preserve water supplies and help prevent loss of valuable species in ways that will ensure their farming practices are sustainable. This knowledge is being shared within and across communities through workshops, presentations, school curriculum, publications and personal interaction.

Along with IAF staff members Jennifer Hodges and Jill Wheeler, Mexico project data verifier Carmen Yolanda Pérez and sociologist Tim Heaton, we visited several projects near Mexico City, Oaxaca and Puerto Escondido. They ranged from helping increase survival rates for sea turtles and crocodiles as part of ecotourism initiatives, to assisting farmers develop practices that help improve farm output and protect critical watersheds.

Protecting environmental services by preventing pollution, restoring natural systems and finding ways to reduce environmental impacts are often more expensive than conventional approaches to agriculture and community development. A promising synergism that is resulting from IAF support and community-based research is focusing on how to quantify and monetize these environmental services so that their costs can be more broadly shared.

One way to promote ecologically sustainable development, for example, is to devise partnerships with rural communities in which these environmental services are provided and the urban areas that depend on those services. One IAF-funded project is the Consejo Civil Mexicano para la Silvicultura Sostenible, a project to protect a key watershed in the

Amanalco-Valle de Bravo region that supplies drinking water for some 2 million residents of Mexico City. The project is in the planning stage as local leaders are developing a system to pay local farmers to make investments that will reduce soil erosion and water pollution. These investments will also benefit the local farmers, but they lack the resources to pay for them. A key challenge is developing mechanisms to ensure the investments are made and to provide funding for them from beneficiaries downstream, such as Mexico City residents.

Another project is organized by Servicios Ambientales de Oaxaca, located high in the mountains above Oaxaca. It seeks to protect forests in ways that also provide marketable products such as credits for sequestering carbon that individuals, companies and groups in developed countries could purchase to offset their emissions of greenhouse gases. This project is also in an early stage, and much of the effort is focusing on determining how much carbon dioxide different kinds of local trees absorb. The research will help community members decide what kinds of trees to plant and how to quantify, monetize and then market these environmental services as a source of income to the community. Tree planting will also provide local environmental benefits such as filtering water and stabilizing soil.

Understanding how to quantify and monetize ecological services is a very promising way to generate income for rural communities and produce local benefits. It also promises to help us learn more about the vexing global problem of how to ensure that the prices we pay for goods and services reflect the true costs of producing them, and that some costs are not externalized or imposed on others. Markets can't provide the benefits we expect of them if significant costs are externalized and not included in the prices charged for producing, distributing and disposing of goods. Burning fossil fuels creates greenhouse gas emissions like carbon dioxide that are not currently priced but scientists are now convinced that these are producing significant climate changes. Better understanding the value of environmental services promises to help make markets more efficiently reflect true costs and allow us to make more informed



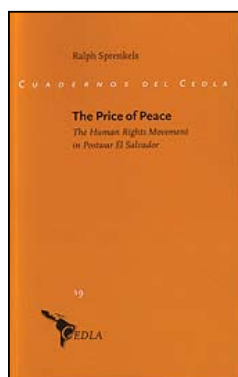
Gary Bryner

A scientist working with Servicios Ambientales de Oaxaca's study on carbon sequestration.

choices about the economic and environmental tradeoffs we face.

There are a host of challenges in designing and implementing these kinds of projects. Building a place-based knowledge base is critical as is fashioning cost-sharing agreements between rural and urban commercial interests. Investments in sustainable local environments promise long-term benefits but must compete with immediate, pressing needs and demands. Calculating the price of ecological decline and of efforts to protect environmental services is an emerging field with lots of uncertainties. Learning from trial and error is essential but hard to do when poverty and other problems are so immediate and daunting.

The problems of ecological decline and their impacts on the prospects for grassroots development will only become more pressing, and IAF projects have the potential to make an important contribution here if these challenges can be successfully navigated. Paying rural groups to protect watersheds is a win-win situation; the community gets resources that help it invest in projects that also produce local benefits, and urban water-users can avoid having to build expensive water treatment facilities.—Gary Bryner, IAF board of directors



**The Price of Peace:
The Human Rights Movement
in Postwar El Salvador**

By Ralph Sprenkels

*Amsterdam: Centre for Latin
American Research and
Documentations (CEDLA), 2005
Available at www.cedla.nl*

Ralph Sprenkels' *The Price of Peace* looks at the history of Salvadoran human rights groups from the late 1970s through the 1980-1992 civil war and the post-conflict period up to 2005. "Human rights organizations are part of a generation of Latin American social movements that organized in the 1970s and 1980s at a time when democracy had become the exception on the continent," he writes. These movements of grassroots groups and nongovernmental organizations, issue-based or identity-based, local or national, have contributed to development by expanding civil society, redefining politics and spreading democracy.

Sprenkels currently represents El Salvador for the Interchurch Organization for Development Cooperation (ICCO) in the Netherlands. He first arrived in El Salvador from Amsterdam in 1992, after the Peace Accords. Working with the late Jon Cortina, a Jesuit priest recognized internationally for his human rights and community development work, Sprenkels helped found Pro-Búsqueda, an organization that assists families whose children disappeared during the war. He worked with Pro-Búsqueda until 2002, when he returned to the Netherlands to complete a master's degree; *The Price of Peace* developed from his thesis.

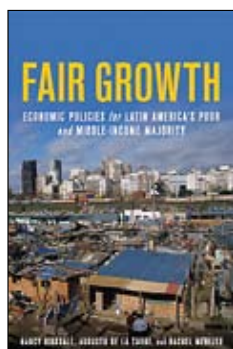
Ethnographic interviews provide the lens through which Sprenkels views the past and present. The voices of his subjects comprise a *testimonio*—a particularly Latin American narrative form used to describe conditions of violence and war. Of the 75,000 people killed in the Salvadoran war, 50,000 were unarmed civilians; another 7,000 disappeared.

More than 160 massacres can be attributed to the armed forces or paramilitary groups. A handful of groups, led primarily by the mothers, grandmothers and wives of those executed or "disappeared," formed to denounce violations. Through interviews with those activists and other relatives of victims, Sprenkels chronicles the efforts to save political prisoners, locate the disappeared and carry on in the face of violence and personal intimidation.

At the heart of the book is the relationship that Sprenkels uncovers between the human rights groups and the five separate entities that would join forces as the armed resistance movement known as the Farabundo Martí National Liberation Front or FMLN. During the conflict, Sprenkels found, collaboration was necessary to document abuses and to rally the international community. When military persecution stopped and the FMLN became a political party, estrangement set in.

During the peace process, international organizations, such as the United Nations, assumed some of the monitoring previously conducted by the Salvadoran human rights organizations. An amnesty law, imposed after publication of the 1993 Truth Commission report, prevented prosecution of most war-related abuses, depriving human rights groups of the ability to pursue most of their cases, and, consequently, causing their international financial support to cease. Many groups have disbanded; surviving human rights groups have broadened their focus to include related issues, such as human rights education, worker protections and wrongful detention. New groups have formed to address the legacy of the past in a contemporary context. These include disabled veterans from both sides who have come together to advocate for benefits. The original human rights movement has undeniably influenced the role that Salvadoran civil society now plays in a functioning democracy. Today, coalitions of organizations with different missions join the surviving human rights groups in addressing policies and practices—some emanating from the peace process itself—that are inconsistent with civil rights and human rights laws.

El Salvador faces a special challenge now. As Sprenkels explains, “The social dynamics of the conflict generated a kind of political polarization that made political independence virtually nonexistent in organizations composing social movements.” The unfortunate legacy of the war period is the antipathy that continues today between the ruling Arena Party and its main opposition, the FMLN. Encumbered by the spillover into other sectors of Salvadoran life, social movements—including human rights groups—struggle to build the independent identity required for sustainable community development.—*Kathryn Smith Pyle, former IAF representative*



**Fair Growth:
Economic Policies for Latin
America's Poor and
Middle-Income Majority**

*Nancy Birdsall, Augusto de la Torre,
and Rachel Menzes*

East Peoria: Versa Press, 2008

According to the authors of *Fair Growth: Economic Policies for Latin America's Poor and Middle-Income Majority*, Latin America, with its persistent poverty and growing inequality, needs policies that create more opportunities for citizens left behind during the region's recent spurt of economic growth. By “fair growth,” Nancy Birdsall, Augusto de la Torre, and Rachel Menzes mean growth that benefits the entire population economically and socially. This is in contrast to the skewed growth they view as exacerbated by the application of Washington Consensus reforms—reforms now perceived as insufficient unless the right conditions are present. In response, their book lays out “a dozen equity tools” intended to help a government put in place fiscal discipline, progressive tax structures, a climate favorable to small businesses, worker protections and universal education, among other features of a sound economy and just society.

Each “equity tool” boils down to a series of bulleted recommendations to be adapted to the specific context. Each “tool” merits a chapter placing it in historical perspective and setting forth, with examples, the general problem it is supposed to fix. The bulleted suggestions are listed at the end of the chapter, and they generally make intuitive sense. Unfortunately, evidence of their practical effectiveness can be weak, missing or relegated to a list of references. For example, the chapter “Dealing Openly with Discrimination” details the hardships suffered by racial and ethnic minorities, and the collection of more data on their situation is among the bullets. However, while the authors claim more data would be helpful to assessing the issues, one wishes they had included specific instances where this has led to the analysis of discrimination and legal redress referenced as an intended outcome. Also absent is a discussion of environmental sustainability as an element of fair growth. The responsibility of government to protect the environment is mentioned, but there is no analysis of how unbridled growth, fair or otherwise, can jeopardize ecosystems vital to the long-term well-being of people everywhere.

An overview on the back cover of *Fair Growth* cautions that “success with these fair growth reforms requires political leadership and technical know-how on the part of government officials and legislators, as well as the support and input of businesses, civil society groups, students and intellectuals.” In a footnote, the authors credit the Inter-American Foundation for its success with disadvantaged people at the grassroots, and they call for more funding for its program of development grants. But *Fair Growth's* “dozen tools” are aimed most directly at policy makers. At the book launch on Jan. 24 at the Center for Global Development in Washington, D.C., the question was raised as to how to convince policymakers of their value, and the authors candidly conceded that the “tools” have not been universally embraced. It would seem hard, however, to argue with the ideals they are supposed to further. Policy makers would do well to read *Fair Growth*.—*Paul Lubliner, IAF program staff assistant*



**Development as a Human Right:
Legal, Political and Economic
Dimensions**

*Edited by Bard A. Andreassen and
Stephen P. Marks*

*Cambridge: Harvard School of
Public Health, 2006*

Classic approaches to development have failed to improve life for the world's poor, according to *Development as a Human Right*, a collection of 14 papers originally presented by experts in international relations, law and social policy at the 2003 Nobel Symposium on the Right to Development. But readers willing to trudge through verbosity and legal debates can find an alternative in this book.

Until the 1980s, human rights and development were considered separate fields. The 1986 United Nations' Declaration on the Right to Development challenged this separation but left many questions unanswered. This volume tries to put meat on the bones and sometimes succeeds. However, less would have been more.

Definitions of the "right to development" range from one encompassing all human rights to David Beetham's narrower "a peoples' right to economic development." In Part I, Beetham warns against what he calls the "dangers of conceptual inflation," a charge to which many of the section's co-authors might plead guilty. What can be rescued from all this theory is that a human rights approach to development entails more than legal claims. It integrates concepts of empowerment, participation, accountability and non-discrimination, whereby no group is excluded from the development process.

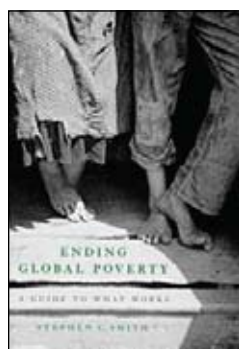
Would a rights-based approach succeed where other models have failed? In the section "National Realities and Challenges," authors Jakob Kirkemann Hansen and Hans-Otto Sano take on this question: If you can get through the jargon, the evidence indicates that the answer is yes. They don't, however tell us how grassroots development, which has been around

for some 40 years, differs from a human-rights-based approach. The section "Duties and Responsibilities" insufficiently maps the responsibilities and commitments of different stakeholders, but does provide insight into how the right to development can be undermined by government corruption and lack of accountability as well as unfair trade arrangements. Margot Salamon's chapter in particular points to serious problems with the international system that favors richer, more developed nations which consistently reject development aid as a legal obligation. She proposes a total restructuring of international institutions based on "weighted responsibility," whereby the nations that have more decision-making power would also be allotted more responsibility to end poverty and guarantee human rights.

The volume's jewels are found in "National Realities and Challenges," a section containing three articles on how national governments can put the right to development into practice. Yash Ghai argues that participatory constitutional reform is central to human-rights-based development and that ethnically diverse countries should ensure that minority groups are represented. Sandra Liebenberg goes a step further in her superb analysis of the South African experience that looks at how civil society can use human-rights-based constitutions to push for better housing, social welfare, and education policies. Asbjørn Eide offers one of the most compelling and succinct accounts available of the origins of international institutions, including the United Nations, World Bank and IMF, and of their impact on promoting human rights, particularly in the developing world. Like other authors in this volume, Eide argues that these institutions' current make-up poses severe obstacles to equitable economic growth. He ends with 11 recommendations, among them the need to work with existing international agreements rather than propose more.

While the extensive introduction and conclusion by Andreassen and Marks help pull the book together, *Development as a Human Rights* at times reads as a disjointed set of articles that sometimes overlap. It does, however, effectively argue for a shift from a need-based to a rights-based development model and

for the change in unequal relationships within and between countries. One may wonder, though, if this is just a new spin on what grassroots development professionals and others have advocated for years: participatory development.—*Tianna Paschel, former IAF intern*



**Ending Global Poverty:
A Guide to What Works**

By Stephen C. Smith

New York:
Palgrave Macmillan, 2005

To those who have kept track of the recent books on global poverty alleviation, the “macro vs. micro” debate has become fairly predictable. In *Ending Global Poverty: A Guide to What Works*, Stephen C. Smith revitalizes the dialogue by introducing a new element: the reader. “To whatever degree you want to get involved, there is a channel waiting for you,” Smith tells his audience.

Ending Global Poverty not only adds to the body of development literature but also offers guidance on effective activism. Smith begins by claiming that extreme poverty, the most devastating and debilitating condition, can be eliminated within one generation—given a shared effort involving development professionals, the wider public and the poor themselves. He bolsters this claim with examples of highly successful programs ranging from a sing-along television program teaching literacy skills to adults in India to road construction that serves as a conduit for spreading advanced agricultural techniques throughout Uganda. Projects cited may vary in geographic location, scope, organization and leadership. What they share, Smith says, is “innovation,” by which he means new ways of solving old problems, tailored to the communities in which they are applied. Innovation, Smith insists, is key to alleviating poverty.

Obviously, demanding innovation is easier than delivering it, but this does not deter Smith. His “Ten Strategies for Innovation” specify how to identify innovative projects and how to make garden-variety projects more innovative. Two of these strategies stand out: first, listening to the poor and acting on their concerns and, second, rigorous evaluation, so that resources are correctly allocated and lessons extracted. Other strategies include the use of competent para-professionals, instead of expensive experts and an emphasis on value-added products. Smith argues for working on a smaller-scale, at least initially. He repeats that decentralization is necessary not only on a project level but also on an organizational level, so development professionals get out of their offices and into the field. In expanding the influence of people at the grassroots, Smith believes more innovative solutions will emerge.

But mainly Smith hopes to enlist his readers in the effort and help them invest wisely. In a lengthy chapter on charitable giving, Smith insists that donors do their homework before writing checks. He warns, for example that common child sponsorship or “sister-church” partnerships may not be the most effective use of funds. Other chapters provide information on how to become a member of an organization or an advisory board and what to expect. Two central pieces of advice apply to all levels of activism: First, pursue detailed information on any program you would consider becoming involved in and don’t hesitate to imply to the organization you might show up to check it out on site. Second, make use of your talent, knowledge and experience, particularly in business or health care, which could prove useful overseas.

Part academic, part moral and part practical, *Ending Global Poverty* has the potential to appeal to a wide audience. Smith certainly seems to hope it will. By tapping into a vast reservoir of ordinary people not normally involved in development policy, Smith hopes to energize the fight against poverty—before it’s too late.—*Elizabeth Yates, former IAF intern*



Maquilópolis

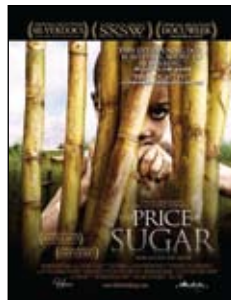
Vicky Funari and Sergio de la Torre:
2006

Maquiladoras have been an important factor in Mexico's economic growth since their introduction in the 1960s along the border with the

United States. Workers migrate to these factories attracted by jobs assembling imported parts into finished products for foreign companies that cut costs by using Mexican labor. By the 1990s, after passage of the North American Free Trade Agreement of 1994, *maquiladoras* on the border had increased to more than 4,000, and now they appear to be spreading south. Once touted as a remedy for inequality and poverty, *maquiladoras* today are estimated to employ 1 million workers, 80 percent of them women. But according to *Maquilópolis*, literally "city of factories," the boom in jobs has its downside.

This film documents the contemporary context of this industry through the stories of workers in Tijuana. Directors Funari and de la Torre gave each woman a video camera and helped them record their neighborhoods, the factories where they were employed and the special grassroots work they do for Grupo Factor X, organizing *maquiladora* workers and educating them on their rights under applicable Mexican labor laws. The documentary focuses on two women: It follows Carmen Duran through her battle for severance pay after her employer moved to a lower-cost area, and Lourdes Lujan as she lobbies the local government to clean up the defunct lead-recycling factory where she once worked, which continues to spew toxic waste into nearby communities, including hers. Through Carmen and Lourdes, as well as others highlighted, we see how the *maquiladoras* depicted on screen endanger health, affect family relationships and produce a dependency on a system that favors the international companies over local workers.

Maquilópolis' most powerful comment on the debate over the benefits of globalization is the film's depiction of the grassroots movements that engage those whose hope for a better life had originally brought them to the *maquiladoras*. According to the film, it is through the efforts of Grupo X and other community-based organizations that these workers begin to take control of their lives. Despite being pitted against stronger and wealthier adversaries, like David when he faced Goliath, the women in *Maquilópolis* refuse to be intimidated.—*Jessica Bremner, program staff assistant*



The Price of Sugar

Bill Haney: 2007

The Price of Sugar follows the labors of Father Christopher Hartley, a Catholic priest who for more than a decade has dedicated his life to transform-

ing the situation of Haitians working in Dominican sugar cane fields. The documentary, narrated by none other than Paul Newman, depicts as akin to slavery the harsh conditions in the *bateyes*—the shantytowns where cane cutters and their families live. As portrayed on film, Haitians are stripped of their identity papers; they live among armed guards; their dilapidated barracks are lined with barbed wire to prevent escape. According to director Bill Haney, under a preferential trade agreement U.S. importers must pay almost double the world price for Dominican sugar. He doesn't hesitate to imply that U.S. consumers, with their notorious sweet tooth, are subsidizing a bitter harvest.

Shot over the course of three years, the sequencing of the film is at times unclear, appearing to take place over only a few days. Nonetheless its impact is potent. Life in the *bateyes* is hellish, the documentary tells us. On screen, Father Hartley surveys his parishioners, examining bandaged limbs, skin rashes and infected wounds that go untreated due to lack of medical care. The camera closes in on a malnour-

ished child whose protruding belly and spindly legs are cradled in a chair because she is too weak to stand. We see workers paid in vouchers, redeemable only at the company store, and batey dwellers, many of whom are unable to afford more than one meal a day, ward off hunger by sucking on sugar cane.

One of the movie's most powerful scenes shows Haitians waiting to be trafficked over the border by *buscones*, the smugglers Haney portrays as working in collusion with the powerful sugar barons and border guards. Shot under the cover of darkness, Father Hartley interviews the apprehensive migrants about their expectations for life on the other, more prosperous side of the island of Hispaniola. The Haitians do not appear to comprehend fully that they are headed for a grim future of backbreaking labor.

The devoted, if at times paternalistic, Father Hartley comes from a background of privilege as heir to a different sweets empire: Britain's famous Hartley's Jams. Father Hartley grew up in Spain, the home of his aristocratic mother, and at 15 he entered the seminary. For 20 years he worked side by side with Mother Theresa before volunteering in 1997 as a missionary in the province of San Pedro de Macoris where *The Price of Sugar* was filmed. The documentary makes clear that Father Hartley's efforts to change the status quo there have riled those with an interest in maintaining it,

and he regularly receives death threats. It culminates in a face-off between him and an angry mob led by a xenophobic talk-show host. The scene strikes the viewer as staged; Haney suggests the protesters were paid to clamor for Father Hartley's ouster.

While Father Hartley gets ample screen time, we don't see much development of the Haitian protagonists and this is a weakness of the film. Regardless, interviews throughout confirm that the subject of Haitian rights is a hot-button issue. *The Price of Sugar* and *The Sugar Babies*, a contemporaneous work on the same topic, have been decried in the Dominican media as distortions. According to *The Boston Globe*, the owners of the plantations in Father Hartley's parish hired a Washington law firm to try to block the release of Haney's film.

The movie ends with Father Hartley standing strong, supported by his bishop and committed to remaining in his parish. The post-production reality, however, saw him leave the Dominican Republic under orders from the Catholic Church, apparently for his own safety. With his departure, one wonders whether the situation of workers in the bateyes will continue to provoke outrage or slip back into obscurity.—Jenny Petrow, IAF representative for the Dominican Republic, Haiti and the Eastern Caribbean

Grassroots Development Fellowships

The IAF announces its 2009-2010 Grassroots Development Fellowship Program supporting up to 12 months of Ph.D. dissertation research in Latin America and the Caribbean. The competition is open to U.S. citizens and citizens of the independent Latin American and Caribbean countries. To be eligible, applicants must have advanced to Ph.D. candidacy before undertaking their IAF-funded research in the social sciences, physical sciences, technical fields or the professions as related to grassroots development issues.

For more information, including benefits and application materials, visit www.iie.org/iaf.



Eugenio Alfonso, from Ciudad Oculta in Buenos Aires, enrolled in classes with IAF grantee Fundación ph15 para las Artes in 2002. When he took this photo in July 2004 in the city of Jesús María in Córdoba province, he had begun an experiment with night photography that eventually yielded a photo essay and has continued to this day. Alfonso, now 28, is a docent in ph15's workshops. For more on the grantee, see the note on page 58.

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